

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Plaintiff

and

2644833 ONTARIO INC. and AMINULLAH NAWROZADA also known as AMIN QU

Defendants

MOTION RECORD

(Motion for an Order appointing a Receiver

Hearing Date: Tuesday, November 14, 2023, Via Video Conference)

October 24, 2023

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
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Lawyers for the Plaintiff,
DUCA Financial Services Credit
Union Ltd.

TO: **SERVICE LIST**

SERVICE LIST

(re: Motion to appoint Receiver, returnable on November 14, 2023)

NO.	NAME	METHOD OF SERVICE
1.	2644833 ONTARIO INC. 1101 Field Drive Mississauga, ON L9T 6G6	DELIVERED PERSONALLY AND BY E-MAIL TO: aminqu@hotmail.com
2.	AMINULLAH NAWROZADA also known as AMIN QU 7263 Second Line West Mississauga, ON L5W 1M7	DELIVERED PERSONALLY AND BY E-MAL TO: aminqu@hotmail.com
3.	MSI SPERGEL INC. 505 Consumers Road, Suite 200, Toronto ON M2J 4V8 Mukul Manchanda Tel: (416) 498-4314 E-Mail: mmanchanda@spergel.ca Paula Amaral E-Mail: pamaral@spergel.ca Proposed Receiver	BY E-MAIL TO: mmanchanda@spergel.ca pamaral@spergel.ca
4.	LERNERS LLP 225 King Street West, Suite 1600 Toronto ON M5V 3M2 Domenic Magisano Tel: (416) 601-4121 E-Mail: dmagisano@lernalers.ca Lawyers for the Proposed Receiver	BY E-MAIL TO: dmagisano@lernalers.ca
5. T	HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as represented by Ministry of Finance Legal Services Branch 33 King Street, 6th Floor Oshawa L1H 8H5 Attention: Steven Groeneveld Senior Counsel, Ministry of Finance Tel: (905) 440-2470 E-Mail: steven.groeneveld@ontario.ca	BY E-MAIL TO: steven.groeneveld@ontario.ca

NO.	NAME	METHOD OF SERVICE
6.	<p>CANADA REVENUE AGENCY c/o Department of Justice Ontario Regional Office The Exchange Tower, Box 36 130 King Street West, Suite 3400 Toronto ON M5X 1K6</p> <p>Attention: Diane Winters Tel: (416) 952-8563 E-Mail: diane.winters@justice.gc.ca</p>	<p>BY E-MAIL TO: diane.winters@justice.gc.ca</p>
7.	<p>INSOLVENCY UNIT Province of Ontario E-Mail: insolvency.unit@ontario.ca</p>	<p>BY E-MAIL TO: insolvency.unit@ontario.ca</p>
8.	<p>JOEL S. MOLDAVER 121 George Street North Peterborough ON K9J 3G3</p> <p>Tel: (705) 743-1801 E-Mail: jmoldaver@cogeco.net</p> <p>Lawyer for Mijar Limited</p>	<p>BY MAIL TO: jmoldaver@cogeco.net</p>
9.	<p>TOWNSHIP OR ORO-MEDONTE 148 Line 7 South Oro-Medonte ON L0L 2E0</p>	<p>BY COURIER</p>
10.	<p>SCARFONE HAWKINS LLP 1 James Street South, 14th Floor Hamilton ON L8P 4R5</p> <p>Marc Ronca E-Mail: mronca@shlaw.ca</p> <p>Lawyers for Global Fuels Inc.</p>	<p>BY E-MAIL TO: mronca@shlaw.ca</p>

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Court File No. CV-23-00001810-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Plaintiff

and

2644833 ONTARIO INC. and AMINULLAH NAWROZADA also known as AMIN QU

Defendants

NOTICE OF MOTION

(Motion for an Order appointing a Receiver
Hearing Date: November 14, 2023, via Video Conference)

DUCA Financial Services Credit Union ("**DUCA**"), will make a motion to a Judge on Tuesday, November 14, 2023 at 9:30 a.m., or as soon after that time as the motion can be heard by way of Zoom video conference.

PROPOSED METHOD OF HEARING: The Motion is to be heard (*choose appropriate option*)

In writing under subrule 37.12.1(1) because it is without notice;

In writing as an opposed motion under subrule 37.12.1(4);

In person;

By telephone conference;

[X] By video conference.

at the following location: 75 Mulcaster Street, Barrie, Ontario.

THE MOTION IS FOR:

1. An Order:

- (a) appointing msi Spergel inc. as receiver without security over all of the assets, undertakings and property of the defendant, 2644833 Ontario Inc. (the “**Debtor**”) and all other property, assets, and undertakings related thereto pursuant to section 243 of the Bankruptcy and Insolvency Act (“**BIA**”) and section 101 of the Courts of Justice Act; and
- (b) such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- 1. The Debtor is a customer of DUCA and is indebted to DUCA.
- 2. The Debtor operated a Mobil Gas Station at the 1525 Highway 11 North, Shanty Bay, Ontario L0L 2L0 (the “**Property**”).
- 3. On or about September 11, 2023, the Debtor’s accounts were transferred to DUCA’s Special Assets Group based on, among other things, late financial reporting and registration of a second mortgage in the amount of \$1,300,000.00 in favour of Mijar Limited, registered without prior written consent from DUCA.

4. DUCA issued payment demands and section 244 notice of intention to enforce security under the BIA (the “**Section 244 Notice**”) against the Debtor.
5. Payment demands and the Section 244 Notice have expired.
6. The indebtedness remains outstanding.
7. DUCA has provided the Debtor with more than sufficient time to repay the indebtedness. The Debtor has been unable to fulfil its contractual obligations to DUCA.
8. DUCA has lost confidence in the Debtor.
9. At this stage, DUCA wishes to take any and all steps necessary to enforce its security and realize on same.
10. DUCA considers it reasonable and prudent for it to begin enforcement of its security in an effort to recover the outstanding indebtedness.
11. The appointment of a receiver is provided for in the security delivered to DUCA by the Debtor, including under a general security agreement and charge/mortgage.
12. DUCA proposes that msi Spergel inc. be appointed as receiver of the Debtor.
13. msi Spergel inc. has consented to act as receiver should the Court so appoint it.
14. The other grounds set out in the affidavit of Ivan Bogdanovich.
15. Section 243(1) of the *Bankruptcy and Insolvency Act*.
16. Section 101 of the *Courts of Justice Act*.

17. Rules 1.04, 1.05, 2.01, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.

18. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

- (a) Affidavit of Ivan Bogdanovich sworn October 20, 2023 and the Exhibits thereto;
- (b) Consent of the Receiver;
- (c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

Date: October 24, 2023

MINDEN GROSS LLP
Barristers and Solicitors
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Toronto, ON M5H 4G2

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Lawyers for the Plaintiff

TO: **2644833 ONTARIO INC.**
1101 Field Drive
Mississauga, Ontario L9T 6G6

AND TO: **AMINULLAH NAWROZADA**
7263 Second Line West
Mississauga, ON L5W 1M7

Court File No. CV-23-00001810-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Plaintiff

and

2644833 ONTARIO INC. and AMINULLAH NAWROZADA also known as AMIN QU

Defendants

**AFFIDAVIT OF IVAN BOGDANOVICH
(sworn October 20, 2023)**

I, IVAN BOGDANOVICH, of the City of Toronto, in the Province of Ontario,

MAKE OATH AND SAY:

1. I am a Director of the Special Assets group of DUCA Financial Services Credit Union Ltd. ("**DUCA**"), with carriage of the DUCA accounts of the defendant, 2644833 Ontario Inc. ("**Debtor**"). As such, I have knowledge of the matters to which I hereinafter depose.

2. Where the information in this affidavit is based upon information and belief, I have indicated the source of my information and belief and do verily believe it to be true.

3. To the extent that any of the information set out in this affidavit is based on my review of DUCA's documents, I verily believe the information in such documents to be true.

Background

4. I am swearing this affidavit in support of a motion by DUCA seeking to appoint msi Spergel inc. as receiver over the assets, undertakings and properties of the Debtor pursuant to section 243 of the Bankruptcy and Insolvency Act ("**BIA**") and section 101 of the Courts of Justice Act.

5. By registered mail and ordinary mail on September 14, 2023 and by email on September 27, 2023, DUCA issued to the Debtor a Notice of Intention to Enforce Security pursuant to section 244 of the BIA (the "**Section 244 Notice**"), together with payment demands.

6. Payment demands were also issued to the guarantor, Aminullah Nawrozada (the "**Guarantor**", also known as "**Amin Qu**").

7. Payment demands and the Section 244 Notice have expired and the indebtedness remains outstanding.

The Parties

8. The Debtor is incorporated pursuant to the laws of Ontario, with its registered head office address at 1101 Field Drive, Mississauga, Ontario L9T 6G6 ("**Head Office Address**"). The Debtor used to operate a Mobil Gas station at 1525 Highway 11

North, Shanty Bay, Ontario L0L 2L0 (the “**Property**”). Attached as **Exhibit “A”** is a copy of the Corporate Profile Report for the Debtor dated September 5, 2023.

9. The Corporate Profile Report indicates the Guarantor is the sole director and officer of the Debtor. The Guarantor personally guaranteed the debts of the Debtor to DUCA.

Commitment and Security

10. The Debtor is indebted to DUCA in connection with a loan in the amount of \$2,250,000 (“**Mortgage Loan**”) made available by DUCA to the Debtor pursuant to a commitment letter agreement dated February 23, 2021, which agreement together with Schedule “A” – Additional Loan Terms are collectively the “**Commitment**”. A copy of the Commitment is attached as **Exhibit “B”**.

11. Pursuant to the “Reporting Requirements” section of the Commitment, the Debtor agreed to provide the following to DUCA:

a) Biennial net worth statement of the Guarantor; and

On or before May 31st of each year:

b) Current Taxes bill with confirmation that all required Taxes have been paid;

c) Current insurance policy indicating DUCA as first mortgagee and as loss payee as its interest may appear, as the case may be, and as additional insured with respect to public liability insurance;

d) Current rent roll and list of Rents payable monthly;

- e) Notices of Assessments for the Debtor and Guarantor;
- f) Copies of any new leases which were put in place since the last review;
- g) Review Engagement Financial Statements for the Debtor prepared by accountants acceptable to DUCA;
- h) Gas volume sales report for the year;

Additionally, the Debtor and Guarantor shall promptly provide such other information pertinent to the Property, the Debtor and the Guarantor as DUCA may request from time to time.

(collectively, the “**Reporting**”)

12. Pursuant to paragraph (b) of the “Taxes” section of the Commitment, the Debtor will pay all Taxes (which includes municipal taxes) as they fall due.

13. The “Default” section in Schedule “A” - Additional Loan Terms of the Commitment states that the Debtor or Guarantor’s failure to perform or comply with any provisions of the Commitment constitutes a default and DUCA shall have the right to immediately demand payment of any amounts advanced, together with interest and any other amounts due.

14. The “Appointment of Receiver” section in Schedule “A” - Additional Loan Terms of the Commitment entitles DUCA to appoint a receiver in the event of default under the Commitment or the Security delivered to DUCA.

15. As security for the Mortgage Loan, the Debtor granted DUCA a general security agreement signed by the Debtor on March 24, 2021 (the “**GSA**”), registration in respect of which was duly made pursuant to the Personal Property Security Act (Ontario) (the “**PPSA**”). Further, pursuant to section 11(a) “Events of Default” of the GSA, failure by the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in the GSA or any other agreement between the Debtor and DUCA constitutes default under the GSA.

16. The events of default contained in section 11.1(f) “Events of Default” of the GSA include:

- a) failure by the Debtor to observe or perform any obligation, covenant, term, provision;
- b) the Debtor ceasing to carry on business.

17. Pursuant to section 13.01 “Remedies” of the GSA, upon default, DUCA is entitled to appoint a receiver. Attached as **Exhibit “C”** is a copy of the GSA.

18. As further security for the Mortgage Loan, the Debtor granted a Charge/Mortgage to DUCA as Instrument No. SC1770188 on April 9, 2021, in the principal amount of \$2,250,000.00 in connection with the Property, including the Schedule to Collateral Mortgages which contain the terms of the Mortgage Loan. Copies of the Charge/Mortgage and the Schedule to Collateral Mortgages (collectively the “**Mortgage Security**”) are attached as **Exhibit “D”**.

19. Pursuant to section 12(h) “Default” of the Mortgage Security, any security interest or encumbrance of any kind or nature whatsoever created on any part of the Property or any interest therein without the prior written consent of DUCA in its sole discretion constitutes a default.

20. Pursuant to section 13(d) “Remedies” of the Mortgage Security, upon default, DUCA is entitled to appoint a receiver.

21. As further security for the Mortgage Loan, the Guarantor provided DUCA with an unlimited guarantee dated March 24, 2021. Attached as **Exhibit “E”** is a copy of the unlimited guarantee.

22. As further security for the Mortgage Loan, the Debtor provided DUCA with an undertaking dated March 24, 2021, where it undertook not to further encumber the Property without the prior written consent from DUCA, which consent may be provided or withheld at its sole and unfettered discretion (“**Undertaking Regarding Further Encumbrances**”). Attached as **Exhibit “F”** is a copy of the Undertaking Regarding Further Encumbrances.

Secured Creditors

23. Attached as **Exhibit “G”** is a copy of the certified PPSA search result for the Debtor with currency to September 4, 2023. The PPSA search results for the Debtor indicates that DUCA is the first registrant. Mijar Limited has a registration that ranks behind DUCA in respect of a general security agreement granted by the Debtor.

24. The parcel register for the Property, effective September 5, 2023, indicates i) the Debtor remains the owner since December 12, 2018, ii) DUCA as first mortgagee and iii) Mijar Limited as the second mortgagee, which second mortgage was granted by the Debtor in breach of the terms of the Undertaking Regarding Further Encumbrances and in breach of the terms of the Commitment.

25. A realty tax certificate for the Property, effective September 15, 2023, indicates arrears owing, including penalties, in the amount of \$31,035.56. The non-payment of municipal taxes as they fall due constitutes a default under the Commitment. Attached as **Exhibit “H”** are copies of the realty tax certificate in connection with the Property.

Defaults and Transfer to Special Assets

26. On or about September 11, 2023, the Debtor’s accounts were transferred to DUCA’s Special Assets group due to, among other things, defaults under the Commitment and security documents. By letter dated September 11, 2023, DUCA advised the Debtor of the transfer to Special Assets based on the second mortgage charge in the amount of \$1,300,000.00 in favour of Mijar Limited, registered without prior written consent from DUCA (“**Mijar Second Mortgage**”) and the delay in providing the Reporting, which was due May 31, 2023 for the annual review. These events constitute breaches and defaults under the Commitment, GSA and Mortgage Security, as applicable. Attached as **Exhibit “I”** is a copy of the transfer letter sent to the Debtor.

27. The Debtor has committed multiple breaches under the Commitment. To date, the breaches have not been cured. Details of the breaches are as follows:

Cessation of Business Operations

28. I am advised by the former account manager at DUCA who had carriage of the Debtor's accounts prior to their transfer to the Special Assets group, and believe that a site visit conducted at the Property on August 24, 2023 revealed that the Debtor's gas station was closed. On September 15, 2023, I personally conducted another site visit and saw that all gas pumps were out of service. There were supposed to be three tenants occupying the Property in total: Hero Burger, Rocket Fireworks and Sallay Amir. Of the three, only Rocket Fireworks was occupying the Property. The doors to the other two tenants' premises were closed.

29. This cessation of business operations constitutes a default under the GSA.

Registrations in Favour of Mijar Limited Without DUCA's Consent

30. The Mijar Second Mortgage was registered on title of the Property as Instrument No. SC1865825 on January 31, 2023, along with a Notice of Assignment of Rents in favour of Mijar Limited registered on title of the Property as Instrument No. SC1865826 on January 31, 2023. Further, Mijar Limited also registered a Notice on title of the Property pursuant to Section 71 of the *Land Titles Act* as Instrument No. SC1962289 on February 9, 2023. DUCA has no records of being asked and agreeing to provide prior written consent to the registrations of Instruments No. SC1865825, SC1865826 or SC1962289. Attached as **Exhibit "J"** are copies of the parcel register of the Property, the Mijar Second Mortgage, the Notice of Assignment of Rents in favour of Mijar Limited, and the Notice registered by Mijar Limited.

31. I am advised by the former account manager and believe that the Mijar Second Mortgage is the second time that the Debtor has caused a second mortgage to be registered on title of the Property without obtaining prior written consent from DUCA. According to an internal memorandum prepared by the former account manager, the first time this happened was in 2021: an unpermitted second mortgage was registered on June 3, 2021 against the title of the Property in favour of Rajeev Kumar as Instrument No. SC1789250 ("**Kumar Second Mortgage**"). DUCA subsequently discovered the Kumar Second Mortgage, and requested the Debtor to have it discharged. The Debtor complied with DUCA's request and the Kumar Second Mortgage was discharged on October 5, 2021 as Instrument No. SC1831705.

32. The registrations of the Mijar Second Mortgage, the Notice of Assignment of Rents in favour of Mijar Limited and the Notice registered by Mijar Limited constitute defaults under the Mortgage Security and a breach of the Undertaking Regarding Further Encumbrances.

33. To date, the Mijar Second Mortgage, the Notice of Assignment of Rents in favour of Mijar Limited and the Notice registered by Mijar Limited have not been discharged.

Registration in favour of Global Fuels Inc. Without DUCA's Consent

34. As evidenced by the parcel register shown in Exhibit "J", in addition to Instruments No. SC1865825, SC1865826 or SC1962289 registered in favour of Mijar Limited, there is another Notice registered by Global Fuels Inc. on title of the Property pursuant to Section 71 of the *Land Titles Act* on February 23, 2023 under Instrument No.

SC1964252 (“**Global Fuels Notice**”). DUCA has no records of being asked and agreeing to provide prior written consent to the registration of Instrument No. SC1964252. Attached as **Exhibit “K”** is a copy of the Global Fuels Notice.

35. I am advised by Carol Liu, an associate of Minden Gross LLP, DUCA’s counsel herein, and believe that, upon correspondence with Scarfone Hawkins LLP, counsel to Global Fuels Inc., regarding the Global Fuels Notice, the Debtor owes about \$42,553.42 to Global Fuels Inc. under a fuel supply contract between Global Fuels Inc. and the Debtor dated October 1, 2018 (“**Fuel Supply Contract**”). Due to these arrears, Global Fuels Inc. stopped supplying fuel to the Debtor as of December 2022, though the Fuel Supply Contract was not yet terminated as at September 22, 2023. As at October 11, 2023, the Global Fuels Notice has not been discharged. Attached as **Exhibit “L”** is a copy of the emails exchanged between Carol Liu of Minden Gross LLP and Tiffany Turner of Scarfone Hawkins LLP regarding the Global Fuels Notice and a copy of the Fuel Supply Contract.

36. The registration of the Global Fuels Notice constitutes a default under the Mortgage Security and a breach of the Undertaking Regarding Further Encumbrances.

Reporting Breach

37. I am advised by the former account manager and believe that the Debtor uses the email address aminqu@hotmail.com to communicate with DUCA regarding banking matters.

38. I am further advised by the former account manager and believe that:

- a) an individual named Noor Nawrozaka (“**Noor**”) is the Guarantor’s brother;
- b) Noor managed four gas stations (including the Debtor) together with the Guarantor; and
- c) Another individual named Shankaran Iyer (“**Shankar**”) is the Debtor’s accountant and is responsible for preparing the Debtor’s financial statements for DUCA’s annual review process.

39. On May 2, 2023, the former account manager sent an email to aminqu@hotmail.com, asking for the Reporting to be provided by May 31, 2023 in accordance with the terms of the Commitment, to enable DUCA to perform and complete its annual review of the Debtor’s loan accounts (“**May 2 Email**”).

40. The May 2 Email led to a series of correspondence between DUCA and the Debtor from May to August 2023 regarding the delivery of the Reporting to DUCA, as follows:

- a) On May 30, 2023, Noor replied to the May 2 Email on behalf of the Debtor, asking DUCA for more time to deliver the Reporting because he had extenuating circumstances in regards to his family. Noor further stated that the Debtor would deliver the Reporting to DUCA by the end of June.
- b) On May 31, 2023, DUCA replied to Noor, agreeing to allow the Debtor more time to deliver the Reporting.

- c) By June 30, 2023, DUCA had not received any Reporting or other communications from the Debtor.
- d) On August 3, 2023 and again on August 21, 2023, DUCA followed up with the Debtor via email, asking for the Reporting to be sent.
- e) On August 23, 2023, in his last email sent to DUCA on behalf of the Debtor, Noor informed DUCA that Shankar, the accountant, had been preparing the Reporting since returning from vacation.
- f) At all relevant times, Noor corresponded with DUCA via email on behalf of the Debtor.

Attached as **Exhibit "M"** is a copy of the emails exchanged between DUCA and the Debtor from May 2, 2023 to August 23, 2023.

41. I am advised by the former account manager and believe that, in light of the ongoing delay, the former account manager asked Shankar if he had been in contact with the Guarantor or Noor. Shankar told the former account manager that both the Guarantor and Noor had been out of country, attending to a sick family member.

42. DUCA has granted the Debtor more than enough time to prepare and deliver the Reporting. Despite DUCA's repeated requests to provide the Reporting, the Reporting remains outstanding to date, and the Debtor has not remedied the default under the Reporting Requirements to the satisfaction of DUCA.

DUCA's Demands

43. In light of the foregoing defaults that remain unremedied by the Debtor, on September 14 and September 27, 2023, DUCA's lawyers herein, Minden Gross LLP, issued payment demands and related Section 244 Notice on behalf of DUCA to the Debtor. Payment demands were also issued to the Guarantor. Attached as **Exhibit "N"** are copies of the payment demands with related Section 244 Notice issued on September 14 and September 27, 2023.

44. I am advised by Ken Kallish, a partner of Minden Gross LLP and believe that on September 14, 2023, a copy of the Section 244 Notice was enclosed in registered mail and ordinary mail letters sent to the Head Office Address. By September 27, 2023, this registered mail letter was returned to the sender, Minden Gross LLP. To date, the ordinary mail letter enclosing the Section 244 Notice sent to the Head Office Address has not been returned to Minden Gross LLP.

45. I am further advised by Mr. Kallish and believe that on September 14, 2023, a copy of the payment demands and the Section 244 Notice were sent to the Property via registered mail and ordinary mail. To date, the letters mailed to the Property have not been picked up from the post office by the Debtor.

46. Payment demands were also issued to the Guarantor on September 14, 2023 to the Head Office Address and the Property. The payment demands issued to the Guarantor at the Head Office Address were also returned to Minden Gross LLP.

47. I am advised by Mr. Kallish and believe that on September 27, 2023, upon discovery of the registered mail letters being returned, payment demands on the Guarantor were re-issued via ordinary mail and registered mail letters to the Guarantor's personal address, 7263 Second Line West, Mississauga, ON L5W 1M7. Attached as **Exhibit "O"** is a copy of the Registered Mail Tracking Information prepared by Minden Gross LLP regarding the demands issued on September 14, 2023.

48. I am advised by Mr. Kallish and believe that, in light of the various mail delivery issues described above, Mr. Kallish also re-sent copies of payment demands and Section 244 Notice on the Debtor and payment demands on the Guarantor by way of email to the Guarantor dated September 27, 2023. Attached as **Exhibit "P"** is a copy of the email sent by Mr. Kallish to the Guarantor on September 27, 2023.

49. An email delivery receipt generated by the enterprise email system of Minden Gross LLP confirms that the email from Mr. Kallish to the Guarantor dated September 27, 2023 was successfully delivered to the Guarantor's email address. Attached as **Exhibit "Q"** is a copy of the email delivery receipt dated September 27, 2023.

50. As of the date of swearing my Affidavit, the Debtor and Guarantor have not repaid the indebtedness owing to DUCA. There has been no further communication with DUCA from the Debtor, the Guarantor, Noor or Shankar since the issuance of demands and Section 244 Notice in September 2023.

51. All of DUCA's demands have expired.

52. The indebtedness owing by the Debtor and Guarantor to DUCA remains outstanding.

Appointment of Receiver

53. The “Default” section in Schedule “A” - Additional Loan Terms of the Commitment provides that the Debtor or Guarantor’s failure to perform or comply with any provisions of the Commitment constitutes a default.

54. Section 11(a) “Events of Default” of the GSA provides that failure by the Debtor to observe or perform any obligation or covenant contained in the GSA or any other agreement between the Debtor and DUCA constitutes a default.

55. The “Appointment of Receiver” section in Schedule “A” - Additional Loan Terms of the Commitment provides that in the event of a default, DUCA is entitled to seek the appointment of a receiver.

56. Section 13.01 “Remedies” of the GSA provides for the appointment of a receiver upon default.

57. Section 13(d) “Remedies” of the Mortgage Security provides for the appointment of a receiver upon default.

58. DUCA has provided the Debtor with more than sufficient time to repay the indebtedness.

59. DUCA has lost confidence in the Debtor and Guarantor because they have failed to comply with their contractual obligations under the Commitment and security

documents, the Debtor’s business is no longer operating, the Debtor is unable to meet its obligations to its supplier, Global Fuels Inc., and the breach of the Reporting Requirements has been ongoing for nearly 5 months without any reasonable prospect of remedy at this time.

60. DUCA is entitled to take any and all steps necessary to enforce its security and realize on same. The Debtor has consented to a receiver being appointed under the Commitment, the GSA and the Mortgage Security.

61. DUCA considers it reasonable and prudent for it to begin enforcement of its security in an effort to recover the outstanding indebtedness.

62. msi Spergel inc. has consented to act as receiver over the Debtor. A copy of the Consent is attached as **Exhibit “R”**.

63. This affidavit is sworn in support of DUCA’s motion for an Order to appoint msi Spergel inc. as receiver over the Debtor, and for no other or improper purpose.

SWORN by Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 20, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Chiu

Commissioner for Taking Affidavits
(or as may be)
Carol Liu / LSO# 84938G

Ivan Bogdanovich

IVAN BOGDANOVICH

This is Exhibit "A" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

CLiu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G



Ministry of Public and
Business Service Delivery

Profile Report

2644833 ONTARIO INC. as of September 05, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2644833 ONTARIO INC.
Ontario Corporation Number (OCN)	2644833
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	July 10, 2018
Registered or Head Office Address	[Not Provided] 1101 Field Drive, Mississauga, Ontario, Canada, L9T 6G6

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name AMINULLAH NAWROZADA
Address for Service 1101 Field Drive, Milton, Ontario, Canada, L9T 6G6
Resident Canadian Yes
Date Began July 10, 2018

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Active Officer(s)

Name	AMINULLAH NAWROZADA
Position	President
Address for Service	1101 Field Drive, Milton, Ontario, Canada, L9T 6G6
Date Began	July 10, 2018

Name	AMINULLAH NAWROZADA
Position	Secretary
Address for Service	1101 Field Drive, Milton, Ontario, Canada, L9T 6G6
Date Began	July 10, 2018

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Corporate Name History**Name**

2644833 ONTARIO INC.

Effective Date

July 10, 2018

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Director/Registrar

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Active Business Names

Name	MOBIL GAS STATION
Business Identification Number (BIN)	290056985
Registration Date	January 15, 2019
Expiry Date	January 14, 2024

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2019 PAF: AMINULLAH NAWROZADA - DIRECTOR	November 08, 2020
Annual Return - 2018 PAF: AMINULLAH NAWROZADA - DIRECTOR	November 08, 2020
CIA - Initial Return PAF: AMINULLAH NAWROZADA - DIRECTOR	July 10, 2018
BCA - Articles of Incorporation	July 10, 2018

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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This is Exhibit "B" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

CLiu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G

February 23, 2021

Attention: Aminullah Nawrozada
2644833 Ontario Inc.
1525 Highway 11 North
Shanty Bay, Ontario L0L 2L0

Dear Sir:

We are pleased to advise that DUCA Financial Services Credit Union Ltd. has approved a first mortgage loan upon the terms and conditions described in this commitment letter (the “**Commitment**”) which upon execution by the Lender, Borrower and Guarantor will constitute an agreement which shall bind the Borrower, Guarantor and Lender.

LENDER	DUCA Financial Services Credit Union Ltd.
BORROWER	2644833 Ontario Inc.
GUARANTOR	Aminullah Nawrozada
LOAN	\$2,250,000
PROPERTY	1525 Highway 11 North, Shanty Bay, Ontario
PURPOSE	The Loan shall be used to refinance the Property (comprised of a Mobil gas station and ancillary strip of three (3) commercial stores) and to fund closing costs and shall at all times be used for these purposes and for no other purpose without the prior written consent of the Lender.
CLOSING DATE	The date of the Loan advance
TERM	5 years from the Closing Date
INTEREST ADJUSTMENT DATE	The Closing Date
INTEREST RATE	

4.25% per annum, calculated half-yearly not in advance both before and after maturity, default and judgment payable one month from the Interest Adjustment Date and every month thereafter until maturity.

AMORTIZATION

25 years

REPAYMENT

A blended payment of interest and principal amortizing over 25 years shall be paid by the Borrower by consecutive monthly instalments in the amount \$12,142 commencing one month from the Interest Adjustment Date and ending on the maturity date of the Loan. The Borrower authorizes the Lender to automatically debit the Borrower's account with the Lender for all payments.

The Borrower shall open an account with the Lender and deposit the sum of \$1.00 into a membership share account and a one-time commercial account opening fee of \$30.00 will be required. The Lender's pre-authorized debit form is required for all new accounts together with a void cheque.

PREPAYMENT

No prepayment of the Loan is permitted unless otherwise agreed upon in writing by the Lender.

Notwithstanding the foregoing: (a) if prepayment of any part of the Loan is made by reason of payment after acceleration upon the occurrence of a default, the Borrower agrees to pay to the Lender three (3) months' interest on the principal amount prepaid at the rate of interest chargeable hereunder at the time of prepayment as set out herein; and (b) if the Loan is not repaid on or before the maturity date, then the Borrower agrees to pay to the Lender in addition to all amounts owing to the Lender, three months interest at the rate of interest chargeable hereunder on the principal amount outstanding on the maturity date.

SECURITY

The Loan shall be secured by the following security (the "**Security**"):

- (a) A first collateral mortgage and charge in the principal amount of \$2,250,000, with a face interest rate of 24% per annum, registered on title to the Property, which is intended to secure the obligations under the Commitment and all present and future amounts that may be owing by the Borrower to the Lender from time to time;
- (b) A first ranking general assignment of leases and rents and revenues from the Property;
- (c) A general security agreement providing a first ranking security interest against all present and future assets, property and undertakings of the Borrower;
- (d) An environmental indemnity to be provided by the Borrower and Guarantor;
- (e) An unconditional guarantee and postponement of claim by Guarantor of 100% of all debts, liabilities and obligations owing by the Borrower to the Lender under this

Commitment and the Security; this guarantee and postponement of claim is in addition to the Guarantor' obligations under the environmental indemnity;

- (f) A trustee and beneficial owner agreement if the Borrower holds the Property as nominee and bare trustee for the sole use, benefit and advantage of another person or persons;
- (g) A postponement of all shareholder and related party loans with respect to the Borrower, from the Guarantor, the shareholders of the Borrower and/or related parties of the Borrower, if applicable;
- (h) An assignment of all insurance policies affecting the Property;
- (i) Tenant acknowledgements/estoppel certificates from tenants under all leases of the Property, on a form satisfactory to the Lender;
- (j) An undertaking from the Borrower not to further encumber the Property without prior written consent from the Lender, which consent may be provided or withheld at the Lender's sole and unfettered discretion; and
- (k) Such other pledges, assignments, security agreements and documents as the Lender or its solicitors may deem necessary.

All documentation shall be in form and substance as required by the Lender or its solicitors.

TITLE

The Borrower shall have a good and marketable fee simple title to the Property. The Lender shall be first in priority in respect of the Property over all other encumbrances whatsoever, to the full extent of the Loan. Title insurance is mandatory. The Borrower shall promptly provide any authorization that the Lender may request in order to permit it to obtain information on file with any government authority having jurisdiction over the Property.

LEASES

The Borrower shall provide copies of all leases of the Property for the Lender's review, which leases must be acceptable to the Lender. On the Closing Date, each tenant shall be in possession of its premises and be paying rent pursuant its lease. The Borrower and each tenant shall otherwise have performed all their respective obligations in the lease. The Lender reserves the right to require that any or all present and future leases of the Property be postponed or subordinated in favour of the Lender's interest therein.

TAXES

With respect to municipal taxes, school taxes and local improvement rates ("**Taxes**") levied against the Property (a) the Lender may deduct from any Loan advance an amount sufficient to pay the Taxes which have become or will become due and payable and are unpaid at the date of such advance; (b) subject to subparagraph (c) below, the Borrower will pay all Taxes as they fall

due and will provide the Lender with receipts confirming payment of same as it may require; (c) unless waived by the Lender, the Borrower shall pay to the Lender in monthly instalments on the dates on which monthly instalments on the Loan are payable hereunder, sums which in the sole opinion of the Lender will be sufficient to enable it to pay the whole amount of Taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof; (d) the Lender agrees to apply such deduction and payments to the Taxes levied against the Property so long as the Borrower is not in default under this Commitment or the Security, but nothing herein contained shall obligate the Lender to apply such payments on account of Taxes more often than yearly; provided, however, that if before any sum so paid to the Lender shall have been so applied, there shall be default by the Borrower in respect of any monthly payments on the Loan, the Lender may apply such sum in or towards payment of the principal and/or interest in default; the Borrower shall transmit to the Lender the assessment notices, tax bills and other notices affecting the imposition of Taxes forthwith upon receipt; and (e) the Lender shall allow the Borrower interest on the average monthly balance standing in the account from time to time to the credit of the Borrower for payment of Taxes, at a rate per annum and at such times as the Lender may determine in its sole discretion, and the Borrower shall be charged interest at the Interest Rate on the debit balance, if any, of Taxes in the account outstanding after payment of Taxes by the Lender until such debit balance is fully repaid.

INSURANCE

The Borrower shall insure the Property and keep it insured against the following in each case to the extent applicable:

- (a) Loss or damage by fire and other insurable hazards defined in an “all risks” insurance policy for the full replacement cost with provision for permission to occupy and with automatic vacancy permit;
- (b) Comprehensive boiler and pressure vessel insurance for the full replacement cost or such lesser amount as shall be acceptable to the Lender;
- (c) Business interruption or rental loss insurance acceptable to the Lender for an indemnity period of not less than 12 months and with coverage of not less than 100% of the resulting loss of rent or other revenue received from the operation of the Property; and
- (d) Public liability insurance on a comprehensive basis to an amount not less than \$5,000,000.00 on an occurrence basis, or such other amount as the Lender may reasonably request, adding the Lender as an additional insured.

The policy to be maintained shall not contain any co-insurance clauses, shall be in form and with an insurer satisfactory to the Lender and shall include the agreement of the insurer that the policy will not be cancelled without at least 30 days’ prior written notice of intended cancellation to the Lender. The Lender shall be named in all policies of insurance as first mortgagee, upon the terms of the standard Insurance Bureau of Canada mortgage clause or as loss payee as its interest may appear, and as additional insured with respect to public liability insurance.

The Lender may in its sole discretion, at the Borrower's expense, retain an insurance consultant to review the insurance coverage to ensure that it meets the Lender's requirements.

ENVIRONMENTAL AND OTHER PROVISIONS

The Borrower represents to the Lender as follows: (a) no environmental hazard exists on the Property or on adjacent land; (b) no claim, complaint or notice of any action has been made or issued relating to an environmental hazard on the Property; (c) the Property is being used in compliance with applicable laws; and (d) the Borrower does not own any real property abutting the Property. The Borrower shall give the Lender immediate notice of any change in circumstances which would render any of the above representations untrue; and shall ensure that the Property and all improvements thereon comply in all respects with all applicable laws, including those in respect of zoning, use, occupancy, construction liens, subdivision, parking, historical designation, fire, access, loading facilities, landscaping, pollution of the environment, toxic materials or other environmental hazards, building construction and public health and safety; and shall ensure that there will be no outstanding work orders against the Property or any part thereof.

In the event that the Property does not comply with all applicable environmental and other laws on the Closing Date or at any other time during the term of the Loan, the Borrower will forthwith remediate and cure any non-compliance, including removal of any hazardous substances, to the entire satisfaction of the Lender, failing which the Borrower shall be in default under this Commitment and the Security.

COSTS AND FEES

Whether or not the Loan transaction contemplated hereby is completed, the Borrower shall pay the legal fees and disbursements of the Lender's solicitors, and the costs incurred by the Lender or its consultants in connection with this Commitment, the Loan and the Security including those related to fire and title insurance, appraisal and environmental reports, survey, inspection, monitoring and reserve advances. Such fees, disbursements and costs may be deducted from any Loan advance.

LATE REPORTING FEE

In the event that any of the Statements (as defined in commitment) are not provided to the Lender within the time limited therefor, a minimum late reporting fee of \$500.00 will be charged by the Lender to the Borrower each month (or part thereof) such Statements remain undelivered. The Lender may also deem such failure to be a default under this Commitment entitling the Lender to exercise its rights and remedies consequent upon default. The Lender may request the Borrower or the Guarantor to provide the Lender with updated Statements at any time during a fiscal year of the Borrower or any corporate guarantor. The failure to provide the updated Statements may be deemed by the Lender to be a default under this Commitment.

COVENANT BREACH FEE

In the event the Lender's annual review of the Loan and Property (see above) reveals any breach of the Borrower's and/or Guarantor's covenants as stipulated under this Commitment or in any

of the Security documentation pledged in connection herewith, in addition to any and all other rights and remedies afforded to the Lender due to such breach (including, but not limited to, deeming the Loan in default and commencing enforcement proceedings, all at the Lender's sole and unfettered discretion), a minimum monthly fee of \$500.00 will be charged by the Lender to the Borrower.

APPLICATION FEE

A fee of \$4,300.00 is acknowledged as received. This fee is non-refundable and is earned by the Lender as compensation for costs incurred, including time expended in processing, approving, and providing this Commitment, but excluding the Costs and Fees referred to above.

COMMITMENT FEE

A fee of \$10,000.00 is payable upon acceptance of this Commitment, but shall be paid to the Lender upon the earlier of the loan advance (to be deducted from the loan advance) or demand.

ANNUAL REVIEW FEE

The Lender shall conduct a review of the Loan and Property each year during the term of the Loan. The first annual review will be performed on or before June 30, 2021. A minimum annual review fee of \$1,500.00 will be charged by the Lender to the Borrower.

APPRAISALS AND ASSESSMENT

All appraisals, inspections, assessments and information with respect to the Property provided to the Lender are provided only for the purpose of assisting it in determining whether to grant the Loan, and no acceptance, use of or adoption of such appraisals, inspections, assessments or information by the Lender shall be construed as any agreement by it as to the value or condition of the Property. The Borrower is responsible for all appraisal and assessment fees.

CONDITIONS PRECEDENT TO ADVANCE

The Lender's obligation to advance the Loan is conditional upon receipt by it of the following, all in form and substance satisfactory to the Lender or its solicitors:

- (a) a duly executed copy of this Commitment, together with the Commitment Fee;
- (b) duly executed copies of the Security registered where required;
- (c) a certificate or binder of insurance satisfactory to the Lender;

- (d) an appraisal of the property for not less than \$3,385,000.00 prepared for the Lender by an approved appraiser, the assumptions, findings and conclusions of which are satisfactory to the Lender in its absolute discretion;
- (e) copies of all leases for the Property, satisfactory to the Lender;
- (f) a current rent roll and expense statement, list of rents payable monthly and expiry dates for all leases, for the Property;
- (g) an updated phase 2 environmental site assessment inclusive of UST testing prepared for and satisfactory to the Lender in its absolute discretion, which must be addressed to the Lender or accompanied by a letter from the consultant permitting the Lender to rely thereon;
- (h) confirmation that all Taxes are current;
- (i) an organizational chart outlining the beneficial ownership of the Borrower and the Property;
- (j) articles of incorporation and corporate documentation, together with a copy of the most recent filed Form 1, satisfactory to the Lender's and its solicitors' satisfaction, where applicable;
- (k) an authorization by the Borrower authorizing the Lender to contact at any time its external accountant/auditor and any government agency with respect to financial statements, income taxes, payroll deductions, worker's compensation and HST;
- (l) corporate documentations (Status Certificate, Officer's Certificate and Resolution) along with a solicitor's corporate opinion confirming all corporate documents have been examined and satisfactory in respect of the Borrower, satisfactory to the Lender and its solicitors;
- (m) a legal opinion from the Lender's solicitors satisfactory to the Lender confirming that (i) the Borrower has good and marketable title to the Property; and (ii) the Lender's mortgage constitutes a good and valid first charge on the Property;
- (n) if the Borrower is a bare trustee, a copy of the declaration of trust or nominee agreement;
- (o) Review Engagement Financial Statements prepared by independent chartered accountants acceptable to the Lender for the Borrower together with copies of all tax filings and notice of assessment to confirm all taxes are paid up-to-date;
- (p) credit bureau reports for the Borrower and Guarantor, satisfactory to the Lender;
- (q) current net worth statements, tax returns and notices of assessments for the past 2 years for the Guarantor;

- (r) supporting documents satisfactory to the Lender in its absolute discretion in respect of the net worth statements of the Guarantor;
- (s) an account with the Lender opened by the Borrower;
- (t) a site inspection conducted by a representative of the Lender, satisfactory to the Lender in its sole and absolute discretion;
- (u) proof of rental payment from Hero Burger for the month of April, 2021;
- (v) the initial advance shall not occur before April 1, 2021; and
- (w) such other information, documentation, opinions and registrations as the Lender or its solicitors may request.

ONGOING CONDITIONS

The Borrower shall inform the Lender immediately in writing of any material changes to the fuel supply agreement including, but not limited to, any change of the MAV (minimum annual volume), tenure of the agreement, dealer payment rate and/or termination conditions. The Borrower shall provide interim gas volume reports promptly to the Lender upon the Lender's request if any changes to the fuel supply agreement are deemed material by the Lender in its discretion. Any failure by the Borrower to comply with the above requirements shall be deemed an event of default at the Lender's option.

RIGHT OF TERMINATION

The Lender shall have the right to terminate its agreement to provide the Loan to the Borrower and be relieved of all obligations in connection with this Commitment or the Security in the event any of the following events should occur:

- (a) the Borrower fails or is unable or unwilling for any reason whatsoever to comply with any of the terms and conditions set out in this Commitment within the time indicated for such compliance;
- (b) the Borrower fails or refuses to execute any documentation requested by the Lender's solicitors or to deliver such documentation to them;
- (c) the Loan has not been fully advanced on or before May 1, 2021;
- (d) the Borrower refuses to accept the Loan proceeds when advanced;
- (e) the Borrower or Guarantor shall become bankrupt, or subject to proceedings under the *Companies' Creditors Arrangement Act* (Canada), or subject to bankruptcy, receivership or insolvency proceedings;

- (f) there has been, in the Lender's sole opinion, a material adverse change in the condition of the Property, the Borrower or the Guarantor or in the actual or anticipated revenues from the Property;
- (g) any construction material containing asbestos has been used or will be used in the Property or there are PCBs or other contaminants or hazardous materials on the Property;
- (h) the Borrower has not complied with all the provisions of the *Construction Act* (Ontario) to the satisfaction of the Lender's solicitors;
- (i) any representation made by the Borrower in this Commitment or the Security is not accurate as of the date of any Loan advance or during the term of the Loan;
- (j) the Financial Covenants herein have not been complied with; or
- (k) the Lender's solicitors, acting reasonably, are not satisfied with the title to the Property.

If in accordance with the foregoing, the Lender elects to terminate its agreement to provide the Loan to the Borrower prior to the advance of the entire Loan, the amount advanced, if any, together with interest thereon at the rate set out herein shall become immediately due and payable.

FINANCIAL COVENANTS

The Borrower and Guarantor covenant and agree with the Lender that:

- (a) the Borrower will maintain a Debt Service Coverage Ratio of not less than 1.25:1.

The Lender shall have the right to test the above covenant at any time while the Loan is outstanding (and shall do so at least once per year on the annual review of the Loan) using the most current annual financial statements of the Borrower in the Lender's possession.

For the purpose hereof, the following terms shall have the following meanings:

"Debt Service Coverage Ratio" means, for any fiscal year, the ratio obtained where the numerator equals EBITDA of the Borrower's financial statements and the denominator equals the total of monthly instalments of Principal and Interest paid on the proposed DUCA mortgage for the same period as determined by the Lender. Any other additional voluntary principal payments will be excluded from this calculation.

"EBITDA" means earnings, as defined in the Borrower's financial statements, calculated in accordance with GAAP, before interest expense, income taxes, depreciation, amortization and extraordinary/unusual non-recurring items (such latter items to be determined by the Lender).

"Debt to Equity Ratio" means the ratio obtained where the numerator equals total debt plus liabilities and the denominator equals equity minus intangibles (e.g. goodwill, incorporation costs, patents, etc.) plus appraisal surplus (as approved by the Lender). Debts due to related parties and shareholders will be added back to equity. Debts due from related parties and shareholders will be deducted from equity.

“GAAP” means Generally Accepted Accounting Principles. Except as otherwise expressly provided herein, all terms of accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time. All calculations of the components of financial information for the purposes of determining compliance with the financial ratios and financial covenants contained herein shall be made on a basis consistent with GAAP in existence as at the date of this Commitment and used in the preparation of financial statements.

In cases where Borrower’s financial performance cannot satisfy the financial covenants or any of them, the Lender may calculate such financial covenants based on one or more of any corporate Guarantor’s financial statements (at the discretion of the Lender) in addition to or in lieu of the Borrower’s financial statements and will be combined with the financial statements of such Guarantor to calculate EBITDA, Debt Service Coverage Ratio, Debt to Equity Ratio and Working Capital Ratio, as the case may be.

REPORTING REQUIREMENTS

For the purposes of the Lender’s annual review of the Loan and Property, the Borrower and Guarantor shall provide the following statements and information (collectively the “**Statements**”) to the Lender:

- (a) Biennial net worth statement of the Guarantor; and

On or before May 31st of each year:

- (b) Current Taxes bill with confirmation that all required Taxes have been paid;
- (c) Current insurance policy indicating the Lender as first mortgagee and as loss payee as its interest may appear, as the case may be, and as additional insured with respect to public liability insurance;
- (d) Current rent roll and list of Rents payable monthly;
- (e) Notices of Assessments for the Borrower and Guarantor;
- (f) Copies of any new leases which were put in place since the last review;
- (g) Review Engagement Financial Statements for the Borrower prepared by accountants acceptable to the Lender; and
- (h) Gas volume sales report for the year.

Additionally, the Borrower and Guarantor shall promptly provide such other information pertinent to the Property, the Borrower and the Guarantor as the Lender may request from time to time.

ASSIGNMENT

Neither the Borrower nor the Guarantor shall have the right to assign any of its respective rights

or obligations under this Commitment or in respect of the Loan to any person. The Borrower and Guarantor agree that the Lender may transfer and assign, without their consent and without notice to them, the Lender's rights and obligations under this Commitment, the Loan, the Security and any related documentation (the "**Mortgage Loan and Security**") to any person. The Lender may also syndicate, securitize or grant participation interests in the Mortgage Loan and Security without the consent of the Borrower and Guarantor or notice to them. The Borrower and Guarantor agree that the Lender may disclose confidential information relating to the Mortgage Loan and Security, including any financial information provided by them at any time or otherwise relating to the Property and any plans, drawings or other documentation or information regarding the Property, to any person in connection with any of the transactions contemplated in this paragraph.

AUTOMATIC RENEWAL ON MATURITY:

Upon the expiry date of the Term at a time (1) when an amount remains owing under the Loan for principal, (2) the Borrower is not in default under this Commitment, and (3) the Borrower has not agreed to a renewal or extension on terms satisfactory to the Lender, the Loan shall automatically renew for a period of 30 days from the expiry date of the Term at an interest rate equal to the existing Interest Rate on the expiry date of the Term plus 3.0% per annum, and the monthly payment for principal and interest shall be adjusted accordingly. The Loan shall automatically renew for additional thirty day periods unless the Lender provides at least 15 days' notice to the Borrower of the Lender's intent not to renew prior to the end of any renewal period.

TIME

Time is of the essence hereof.

AMENDMENT

This Commitment shall only be amended by agreement in writing executed by all the parties hereto.

WAIVER

Any failure by the Lender to exercise any rights or remedies under this Commitment or any Security shall not constitute a waiver thereof.

GOVERNING LAW

This Commitment shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

SURVIVAL

The terms and conditions of this Commitment shall survive the execution and registration of the Security and there shall be no merger of these provisions or conditions in the Security; provided that in the event of any conflict between the provisions of this Commitment and the Security, the provisions of this Commitment shall prevail to the extent necessary to remove such conflict.

Notwithstanding the foregoing, in the event that the Security contains remedies which are in addition to the remedies set forth in this Commitment, the existence of such additional remedies in the Security shall not constitute a conflict or inconsistency with the provisions of the Commitment.

NOTICES

Any notice or demand or other written communication hereunder shall be given by facsimile, letter or by electronic means of communication. A facsimile communication shall be deemed received on the Business Day following its transmission. A letter shall be deemed received when delivered to the receiving party at the address shown on page 1 hereof. An electronic communication shall be deemed received on the day of transmittal if a Business Day and before 5:00 p.m. or, if not, on the next Business Day. Each party shall be bound by any notice given as provided hereunder and entitled to act in accordance therewith. “**Business Day**” means any day other than a Saturday, Sunday or any statutory or civic holiday observed in the Province of Ontario.

INTERPRETATION

In this Commitment (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the word “including” shall mean “including, without limitation,”; (c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor statute thereto; (d) any reference to this Commitment, the Security or other concomitant agreement or instrument shall include all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto from time to time; (e) any reference to the Lender, Borrower, Guarantor and any other person shall include their respective heirs, estate trustees, legal representatives, successors and assigns; and reference to a “person” shall include an individual, general or limited partnership, joint venture, sole proprietorship, corporation, unincorporated association, trust, trustee, estate trustee, legal representative or any federal, provincial, municipal or other form of government; and reference to a “corporation” shall include a company or other form of body corporate; (f) all dollar amounts are expressed in Canadian dollars; (g) the division of this Commitment into separate sections and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Commitment; and (h) if more than one person is named as, or otherwise becomes liable for or assumes the obligations and liabilities of the Borrower or Guarantor, then the obligations and liabilities of all such persons shall be joint and several. This Commitment is intended to supplement and not derogate from the Security or any other concomitant document.

ANNOUNCEMENTS

The Borrower irrevocably acknowledges and agrees that, at any time following the Closing Date, the Lender may announce the closing of the transaction and include details of the transaction in its external public communications, which communications may (a) disclose the Borrower’s name, the amount and purpose of the Loan, the Closing Date and any other non-confidential facts related to the relationship between the parties; and (b) be made in any and all media or formats now or hereafter known or developed.

ADDITIONAL LOAN TERMS

The additional loan terms attached as Schedule "A" to this commitment letter shall form a part thereof as if incorporated herein.

LENDER APPROVED SOLICITORS

David Markowitz
 Schneider Ruggiero Spencer Milburn LLP
 1000-120 Adelaide Street West
 Toronto, ON M5H 3V1
 Phone No. 416-363-2211
 Fax No. 416-363-0645

ACCEPTANCE

The terms of this Commitment are open for acceptance by the Borrower and Guarantor by executing the original hereof where indicated below and delivering it to the Lender's head office at 5255 Yonge Street, Toronto, Ontario M2N 6P4, on or before 5:00 p.m. on March 3, 2021, after which date and time this Commitment shall lapse and become null and void.

Yours truly,

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Per:  _____

Name: Tim Chan
 Title: Account Manager, Commercial Finance

Per:  _____

Name: Constance Kang
 Title: Manager, Commercial Credit

I/We have authority to bind the Corporation.

ACCEPTED on: February 25, 2021.

2644833 ONTARIO INC.

Per:  _____

Name: Aminullah Nawrozada
 Title: A.S.O.

I have authority to bind the Corporation

The undersigned Guarantor has read, understands and accepts the terms and conditions of this Commitment.

ACCEPTED on: February 25, 2021.

A handwritten signature in black ink, consisting of a stylized letter 'A' enclosed within two overlapping, roughly circular loops.

Aminullah Nawrozada

SCHEDULE "A"**ADDITIONAL LOAN TERMS**

Attached to and forming part of a commitment letter between DUCA Financial Services Credit Union Ltd., as Lender, and 2644833 Ontario Inc., as Borrower.

DEFAULT

In the event that the Borrower or Guarantor do not perform or comply with any of the provisions of this Commitment or the Security or any other agreement between the Borrower or Guarantor and the Lender relating to the Loan, such non-performance or failure to comply shall constitute a default under the terms of this Commitment and the Security and the Lender shall have the right to immediately demand payment of any amounts advanced, together with interest at the rate set out in this Commitment, as well as any other amounts due under this Commitment or the Security.

SALE OR OWNERSHIP CHANGE

The Borrower shall not sell, assign or otherwise dispose of the Property without the prior written consent of the Lender. If the Borrower is a corporation, it shall not make any changes to its authorized capital or its allocation or ownership which would result in a change of voting control or beneficial ownership of the corporation, without the prior written consent of the Lender.

SUBSEQUENT FINANCING

The Borrower shall not enter into any further financing of the Property and shall not further encumber the Property without the prior written consent of the Lender, which consent may be withheld in the Lender's sole discretion.

APPOINTMENT OF RECEIVER

In the event that the Borrower or Guarantor shall be in default in the observance or performance of any of the terms, conditions, covenants or payments contained in this Commitment or the Security, the Lender may, by notice in writing, appoint any person to be a receiver, a manager or a receiver and manager of the Property upon and subject to terms more particularly set out in the Security.

INSPECTION

The Lender shall have the right at any reasonable time or times to fully inspect the Property, so long as any monies remain outstanding under the Loan.

CONSENT TO DISCLOSURE

The Borrower hereby consents (such consent to remain in force as long as the Loan is outstanding) to any government body or authority or other person having information relating to HST or any other amount required to be paid by the Borrower, where the failure to pay such other amount could give rise to a claim ranking or capable of ranking in priority to the Security, to release such

information to the Lender at any time upon its request. The Borrower shall provide signed third party authorizations in support of the foregoing at any time upon the Lender's request, whether prior to or after disbursement of the Loan.

LENDER'S EXPENSES AND ADMINISTRATION FEES

The Borrower shall pay all costs, charges and expenses incurred by the Lender in connection with the operation or enforcement of the Commitment or the Security, including costs of registration of financing statements or financing change statements and searches in connection therewith, periodic property inspections and Taxes verifications and other similar costs, and any fees or charges of agents or other persons retained by the Lender for the purpose of conducting such activities on its behalf. In addition the Borrower shall pay the administration fees in connection with the administration of the Loan by the Lender, including the provision of mortgage statements and discharges, processing late payments, and cheques or automatic debits which are dishonoured or not accepted, the amount of each such administration fee being a liquidated amount to cover administrative costs and not a penalty. If the Borrower fails to pay any such costs, charges or expenses upon demand, they will be added to the outstanding Loan and shall be secured by the Security.

DEMOLITION

The Borrower shall not demolish all or any portion of the Property without the Lender's prior written consent.

MULTI-RESIDENTIAL PROPERTIES

If the Property is a multi-residential property, the Borrower represents and warrants with respect to the Property as follows:

- (a) except as permitted under laws applicable to residential housing,
 - (i) no demolition, conversion, renovation, repair or severance has taken place with respect to the Property; and
 - (ii) there have been no increases in the rental rate charged for any residential rental unit or units on the Property.
- (b) as provided in laws applicable to residential housing,
 - (i) all rents charged with respect to the Property are lawful rents and all required rebates have been paid; and
 - (ii) all required filings have been made and were timely, accurate and complete.
- (c) pursuant to laws applicable to residential housing,
 - (i) no applications, investigations or proceedings have been commenced or made; and

- (ii) there are no outstanding orders or decisions made by any ministry, board or commission with respect to the Property or any residential rental unit.

On or before the date of the first Loan advance the Borrower shall provide a statutory declaration by an officer or director of the Borrower that the above representations and warranties are true and correct. The Borrower shall deliver to the Lender on or before the date of the first Loan advance all documents required to establish the legality of rents.

The Borrower hereby authorizes all government ministries, boards or commissions having jurisdiction over residential housing to release to the Lender or its solicitors any and all information contained in their files.

The Borrower shall comply with the provisions of all laws applicable to residential housing during the term of the Loan. In the event of a breach of this covenant or in the event that any of the representations and warranties hereinabove contained are false, the outstanding Loan and any accrued interest shall, at the Lender's option, become immediately due and payable.

CONDOMINIUM PROVISIONS

If any part of the Property is a condominium unit, the Borrower shall promptly observe and perform all of its covenants, duties and obligations under or pursuant to the *Condominium Act* (Ontario) and the declaration, by-laws and rules of the condominium corporation, and in accordance with terms more particularly set out in the Security.

INTEREST ON INTEREST

Interest shall be payable on all past due interest from the due date of such interest at the Interest Rate, both before and after default, demand, maturity and judgment until paid. Any overdue interest shall be payable on demand. If such overdue interest and compound interest are not paid within one month from the time of default, a rest will be made and compound interest at the Interest Rate will be payable on the aggregate amount then due, both before and after maturity, default and judgment, and so on from time to time until paid.

LENDER'S RECORDS

The Lender shall keep accounts showing the status of the Loan and records of the sums borrowed, principal and interest repayments and all other sums due under this Commitment. In the absence of manifest error, the Lender's records shall constitute conclusive evidence of the Borrower's indebtedness to the Lender hereunder.

PAYMENTS TO GOVERNMENT AUTHORITIES

During the term of the Loan the Borrower shall pay, when due, all amounts owing to any government authority which, if unpaid, would give such authority recourse for such amounts ranking in priority to the Security; the failure to pay any such amount, when due, shall constitute a default under this Commitment and the Security.

ACCELERATION OF LOAN

If any acceleration or prepayment of all or any portion of the Loan should occur prior to the Loan's maturity date for any reason whatsoever (whether as a result of default under this Commitment or the Security, by operation of law or otherwise) then an amount equal to the greater of (A) three months' interest at the Interest Rate on the Loan then outstanding; and (B) the positive difference, if any, between (i) the present value on the date of such acceleration or prepayment of all future monthly payments which the Borrower would otherwise be required to pay under the Loan during the remainder of the term of the Loan absent such prepayment or acceleration, including the unpaid principal of the Loan which would otherwise be due upon the Loan's maturity date absent such acceleration or prepayment, with such present value being determined by the use of a discount rate equal to the yield to maturity, less $\frac{1}{2}$ %, on the date of such acceleration or prepayment of Government of Canada bonds having the term to maturity closest to what otherwise would have been the remainder of the term of the Loan absent such acceleration or prepayment; and (ii) the Loan principal on the date of such prepayment (the "**Prepayment Charge**") shall immediately become due and payable and shall be secured by the Security. If there is more than one Government of Canada bond with a maturity equally close to what otherwise would have been the remaining term of the Loan absent the repayment by reason of such acceleration or prepayment, as the case may be, the selection of the applicable bond shall be made by the Lender, acting reasonably. The Borrower acknowledges that the Prepayment Charge represents reasonable and fair compensation for the loss that the Lender may sustain from any acceleration or prepayment of the Loan or any part thereof prior to the Loan's maturity date. Provided that nothing herein contained shall create any right to prepay all or any portion of the Loan at any time or under any circumstances prior to the Loan's maturity date.

CAPITALIZED WORDS

Unless otherwise defined herein, all capitalized words and expressions shall have the same meanings as defined in the commitment letter to which these additional loan terms are attached.

This is Exhibit "C" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

Chiu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G



GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

1.01 For value received, 2644833 ONTARIO INC. (the "**Debtor**") hereby grants to DUCA FINANCIAL SERVICES CREDIT UNION LTD. (the "**Secured Party**") a security interest (the "**Security Interest**") in the present and future undertaking and property, both real and personal, of the Debtor (collectively the "**Collateral**") and as further general and continuing security for the payment and performance of the Indebtedness, the Debtor hereby assigns the Collateral to the Secured Party and mortgages and charges the Collateral as and by way of a fixed and specified mortgage and charge to the Secured Party. Without limiting the generality of the foregoing, Collateral shall include all the right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to, or acquire in all property of the following kinds: all goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), accounts, chattel paper, documents of title (whether negotiable or not), equipment, instruments, intangibles, inventory, money and securities and in all proceeds and renewals thereof, accretions thereto and substitutions therefor and including the following:

- all inventory of whatever kind and wherever situated;
- all equipment (other than inventory) of whatever kind and wherever situated, including all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- all accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including guarantees, indemnities, letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor (hereinafter collectively called "**Debts**");
- all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- all contractual rights, licences and insurance claims and all goodwill, patents, trademarks, copyrights, and other intellectual property and industrial property and any rights of renewal or extension thereof;

- all monies other than trust monies lawfully belonging to others; and
- all property described in any schedule now or hereafter annexed hereto.

1.02 The Security Interest granted hereby shall not extend or apply to and the Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term, including, without limitation, the Secured Party.

1.03 The terms "accessions", "account", "chattel paper", "document of title", "equipment", "goods", "instrument", "intangible", "inventory", "money", "personal property", "proceeds" and "security" whenever used herein have the meanings given to those terms in the *Personal Property Security Act (Ontario)* (the "**P.P.S.A.**"). Provided always that the term "goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A., and the term "inventory" when used herein shall include livestock and the young thereof after conception, crops that become growing crops, fish after they are caught, minerals or hydrocarbons after they are extracted and timber after it is cut. Any reference herein to the "Collateral" shall, unless the context otherwise requires, be deemed a reference to the "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

2.01 The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of the Debtor to the Secured Party (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is at any time and from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "**Indebtedness**"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Secured Party shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

3.01 The Debtor represents and warrants and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that,

- (a) the Collateral is genuine and owned by the Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "**Encumbrances**"), save for the Security Interest and those Encumbrances approved in writing, prior to their creation or assumption, by the Secured Party (hereinafter collectively called "**Permitted Encumbrances**"); provided, that nothing in the foregoing definition of "Permitted Encumbrances" or otherwise in this Agreement shall (i) be construed as evidencing an intention or agreement on the part of the Secured Party that the Security Interest or the Indebtedness be or have been subordinated to any such Permitted Encumbrances; or (ii) cause any such subordination to occur.
- (b) to the best of the knowledge, information and belief of the Debtor, (i) each Debt, chattel paper and instrument constituting the Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Debtor**"), and the amount represented by the Debtor to the Secured Party from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable; and (ii) no Account Debtor now has any defence, set off, claims or counterclaim against the Debtor which can be asserted against the Secured Party, whether in any proceeding to enforce the Collateral or otherwise; and
- (c) the locations specified in Schedule "A" attached hereto as to the location of the business operations and records of the Debtor are accurate and complete and, with respect to goods (including inventory) constituting the Collateral, the locations specified in Schedule "A" are accurate and complete, save for goods in transit to such locations and inventory on lease or consignment; and all fixtures or goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situated at one of such locations.

4. COVENANTS OF DEBTOR

4.01 So long as this Agreement remains in effect the Debtor covenants and agrees,

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and the Permitted Encumbrances; and not to sell, exchange, transfer, assign, lease, or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Secured Party; provided always that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease inventory

and, subject to section 7.01 hereof, use monies available to the Debtor and the Debtor may sell or otherwise dispose of equipment which has become worn out or damaged or otherwise unsuitable for its purpose on condition that the Debtor shall substitute therefor, subject to the Security Interest, property of equal or greater value so that the Collateral shall not thereby be in any way reduced or impaired;

- (b) to notify the Secured Party in writing promptly of,
 - (i) any change in the information contained herein relating to the Debtor, the Debtor's business or the Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting the Debtor or the Collateral;
 - (iv) any significant loss of or damage to the Collateral;
 - (v) any material default by any Account Debtor in payment or other performance of its obligations with respect to the Collateral; and
 - (vi) the return to or repossession by the Debtor of the Collateral;
- (c) to keep the Collateral in good order, condition and repair and not to use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, information and things as may be reasonably requested by the Secured Party with respect to the Collateral in order to give effect to this agreement and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same become due and payable;
- (f) to insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Secured Party shall reasonably direct with loss payable to the Secured Party and the Debtor, as

insureds, as their respective interests may appear, and to pay all premiums therefor;

- (g) to prevent the Collateral, save inventory sold or leased as permitted hereby, from being or becoming an accession to other property not charged by this Agreement;
- (h) to carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral, and mark in the manner specified by the Secured Party from time to time any and all such records and the Collateral at the Secured Party's request so as to indicate the Security Interest; and
- (i) to deliver to the Secured Party from time to time promptly upon request,
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to the Collateral; and
 - (v) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Secured Party may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

5.01 Subject to compliance with the Debtor's covenants contained herein and section 7.01 hereof, the Debtor may, until default, possess, operate, collect, use and enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to

all places where the Collateral may be located and to all premises occupied by the Debtor.

6. SECURITIES

6.01 If the Collateral at any time includes shares in any affiliates of the Debtor, the Debtor authorizes the Secured Party to transfer the same or any part thereof into its own name or that of its nominee. If the Collateral at any time includes Securities, other than shares in any affiliates of the Debtor, the Debtor authorizes the Secured Party, upon default, to transfer the same or any part thereof into its own name or that of its nominee so that the Secured Party or its nominee may appear of record as the sole owner thereof. After any transfer as aforesaid, the Debtor waives all right to receive any notices or communications received by the Secured Party or its nominee as such registered owner. Subject to the foregoing, upon the request of the Secured Party, the Debtor will instruct the issuer, clearing agency, custodian or nominee to make an entry in its records of the Secured Party's security interest in the Securities so as to effect delivery to and possession by the Secured Party of those securities.

7. COLLECTION OF DEBTS

7.01 Before or after default under this Agreement, the Secured Party may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on the Collateral to the Secured Party. The Debtor acknowledges that any payments on or other proceeds of the Collateral received by the Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Agreement, shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

8.01 Until default, the Debtor reserves the right to receive any monies constituting income from or interest on the Collateral and if the Secured Party receives any such monies prior to default, the Secured Party shall either credit same against the Indebtedness or pay the same promptly to the Debtor.

8.02 After default, the Debtor will not request or receive any monies constituting income from or interest on the Collateral and if the Debtor receives any such monies, without any request by the Secured Party, the Debtor will pay the same promptly to the Secured Party.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- 9.01 Whether or not default has occurred, the Debtor authorizes the Secured Party,
- (a) to receive any increase in or profits on the Collateral (other than money) and to hold the same as part of the Collateral. Money so received shall be treated as income for the purposes of sections 8.01 and 8.02 hereof and dealt with accordingly; and
 - (b) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of the Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of the Collateral.
- 9.02 If the Debtor receives any such increase or profits (other than money) or payments or distributions, the Debtor will deliver the same promptly to the Secured Party to be held by the Secured Party as herein provided.

10. DISPOSITION OF MONIES

- 10.01 Subject to any applicable mandatory requirements of the P.P.S.A., all monies collected or received by the Secured Party pursuant to or in exercise of any right it possesses with respect to the Collateral shall be applied or reapplied on account of the Indebtedness in such manner as the Secured Party deems best in its sole discretion or, in the discretion of the Secured Party, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Secured Party hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

- 11.01 The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as “**default**”:
- (a) the non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement between the Debtor and the Secured Party;
 - (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to an individual Debtor;
 - (c) the bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment or proposal for the benefit of Secured Parties by the Debtor; the appointment of a receiver

or trustee for the Debtor or for any assets of the Debtor; or the institution by or against the Debtor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* (Canada) or otherwise;

- (d) the institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Debtor;
- (e) if any Encumbrance affecting the Collateral becomes enforceable against the Collateral;
- (f) if the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or if a distress or analogous process is levied upon the assets of the Debtor or any part thereof; or
- (h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement, or otherwise (including the representations and warranties contained herein) or as an inducement to the Secured Party to extend any credit to or to enter into this Agreement or any other agreement with the Debtor, proves to have been false or inaccurate in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Secured Party at or prior to the time of such execution.

12. ACCELERATION

- 12.01 The Secured Party, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable without demand or notice of any kind, in the event of default, or if the Secured Party in good faith believes and has commercially reasonable grounds to believe that a material adverse change has occurred in the financial and business position of the Debtor. The provisions of this section 12.01 are not intended in any way to affect any right of the Secured Party with respect to Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

- 13.01 Upon default, the Secured Party may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Secured Party or not, to be a receiver (hereinafter called a “Receiver”, which term when used herein shall include a receiver and manager) of the Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Secured Party, and the Secured Party shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any Receiver, his servants, agents or employees. Subject to the provisions of the instrument appointing him, any Receiver shall have power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral. To facilitate the foregoing powers, any Receiver may, to the exclusion of all others including the Debtor, enter upon by peaceable or forcible means at any time of the day or night, use and occupy all premises owned or occupied by the Debtor wherein the Collateral may be situated, maintain the Collateral upon such premises, borrow money on a secured or unsecured basis and use the Collateral directly in carrying on the Debtor's business or as security for loans or advances to enable him to carry on the Debtor's business or otherwise, as the Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Secured Party, all monies received from time to time by any Receiver in carrying out his appointment shall be received in trust for and paid over to the Secured Party. Every Receiver may, in the discretion of the Secured Party, be vested with all or any of the rights and powers of the Secured Party.
- 13.02 Upon default, the Secured Party may, either directly or through its agents or nominees, exercise all the powers and rights given to a Receiver by virtue of section 13.01 hereof.
- 13.03 The Secured Party may take possession of, collect, demand, sue on, enforce, recover and receive the Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Secured Party may sell, lease or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Secured Party may seem reasonable.
- 13.04 In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Secured Party and in addition to any other rights the Secured Party may have at law or in equity, the Secured Party shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Secured Party shall not be liable or

accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of the Collateral or to institute any proceedings for such purposes. Furthermore, the Secured Party shall have no obligation to take any steps to preserve rights against prior parties to any instrument or chattel paper, whether Collateral or proceeds and whether or not in the Secured Party's possession, and shall not be liable or accountable for failure to do so.

- 13.05 The Debtor acknowledges that the Secured Party or any Receiver appointed by it may take possession of the Collateral wherever it may be located and by any method permitted by law, and the Debtor agrees upon request from the Secured Party or any Receiver to assemble and deliver possession of the Collateral at such place or places as directed.
- 13.06 In the event of default, the Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors' and auditors' costs, other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for dispositions and disposing of the Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses together with any monies owing as a result of any borrowing by the Secured Party or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of the Collateral and shall be secured hereby.
- 13.07 Unless the Collateral in question is perishable, the Secured Party believes on reasonable grounds that the Collateral in question will decline speedily in value, the Collateral in question is of the type customarily sold on a recognized market, the cost and storage of the Collateral is disproportionately large relative to its value or a court of competent jurisdiction orders otherwise, the Secured Party will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of the Collateral is to be made, as may be required by the P.P.S.A

14. MISCELLANEOUS

- 14.01 The Debtor hereby authorizes the Secured Party to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying the Collateral or any permitted Encumbrances affecting the Collateral or identifying the locations at which the Debtor's business is carried on and the Collateral and records relating thereto are situate) as the Secured Party may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve the

Collateral and to realize upon the Security Interest and the Debtor hereby irrevocably constitutes and appoints any officer or director from time to time of the Secured Party the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.

- 14.02 Without limiting any other right of the Secured Party, whenever Indebtedness is immediately due and payable or the Secured Party has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), the Secured Party may, in its sole discretion, set off against such Indebtedness any and all monies then owed to the Debtor by the Secured Party in any capacity, whether or not due, and the Secured Party shall be deemed to have exercised such right of setoff immediately at the time of making its decision to do so, even though any charge therefor is made or entered on the Secured Party's records subsequent thereto.
- 14.03 Upon the Debtor's failure to perform any of its duties hereunder, the Secured Party may, but shall not be obligated to do so, perform any or all of such duties, and the Debtor shall pay to the Secured Party, forthwith upon written demand therefor, an amount equal to the expense incurred by the Secured Party in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 18% per annum.
- 14.04 The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize the Security Interest. Furthermore, after default, the Secured Party may demand, collect and sue on the Collateral in either the Debtor's or the Secured Party's name, at the Secured Party's option, and may endorse the Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting the Collateral.
- 14.05 No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Secured Party may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

- 14.06 The Debtor waives protest, notice of protest, notice of presentment and notice of dishonour of any instrument constituting the Collateral at any time held by the Secured Party on which the Debtor is in any way liable and subject to section 13.07 hereof, notice of any other action taken by the Secured Party.
- 14.07 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, estate trustees, personal legal representatives, successors and assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.
- 14.08 Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- 14.09 Subject to the requirements of section 13.07 hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given if delivered by mail to the party for whom it is intended at the last known address of such party or if sent by prepaid registered mail addressed to the party for whom it is intended at the last known address of such party. Either party may notify the other pursuant hereto of any change in its address to be used for the purposes hereof.
- 14.10 This Agreement and the security created hereby is in addition to and not in substitution for any other security now or hereafter held by the Secured Party and is and is intended to be a continuing Agreement and shall remain in full force and effect until all Indebtedness contracted for or created, and any extensions or renewals thereof, together with interest accruing thereon shall be paid in full and this Agreement is discharged. If all the Indebtedness has been paid and satisfied and the Debtor has otherwise observed and performed all its obligations under this Agreement and is not then in default hereunder, then the Secured Party shall at the request and expense of the Debtor release and discharge the Security Interest and execute and deliver such deeds and other instruments as shall be requisite therefor.
- 14.11 In this Agreement (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the word "including" shall mean "including, without limitation,;" (c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or

replaced from time to time, and any successor statute thereto; (d) reference to the Debtor, the Secured Party and any other person shall include their respective heirs, estate trustees, personal legal representatives, successors and assigns; (e) the division of this Agreement into separate Sections, Subsections and Schedules, and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement; (f) the Secured Party's right to give or withhold any consent or approval, make any determination or exercise any discretion shall be exercised by the Secured Party acting reasonably unless otherwise expressly provided, except that following default the Secured Party shall be entitled to exercise the same in its sole discretion; (g) if more than one person is named as, or otherwise becomes liable for or assumes the obligations and liabilities of the Debtor, then the obligations and liabilities of all such persons shall be joint and several; (h) time shall be of the essence; and (i) all obligations of the Debtor in this Agreement will be deemed to be covenants by the Debtor in favour of the Secured Party.

- 14.12 In the event any provisions of this Agreement shall be deemed invalid or void, in whole or in part, by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.
- 14.13 Nothing herein contained shall in any way obligate the Secured Party to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- 14.14 The Security Interest created hereby shall attach when this Agreement is signed by the Debtor and delivered to the Secured Party. The Debtor and the Secured Party acknowledge that value has been given and the Debtor has rights in the Collateral.
- 14.15 The Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby,
- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company; and
 - (b) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Secured Party at the time of amalgamation and any "Indebtedness" of the amalgamated company to the Secured Party thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of

amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

14.16 This Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario as the same may from time to time be in effect, including, where applicable, the P.P.S.A.

15. COPY OF AGREEMENT

15.01 The Debtor hereby acknowledges receipt of a copy of this Agreement and all financing statements in respect hereof. In the event that the Secured Party pays to the Debtor any penalties pursuant to subsection 46(7) of the P.P.S.A. then the Debtor shall indemnify and hold harmless the Secured Party from all costs, expenses, penalties or charges arising in connection with any action by or on behalf of the Debtor pursuant to subsection 46(7) of the P.P.S.A.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the 24th day of March, 2021.

2644833 ONTARIO INC.

Per: 

Name: Aminullah Nawrozada

Title: President

SCHEDULE "A"
(Locations)

1. Business Locations

1525 Highway 11 North, Shanty Bay, Ontario

1101 Field Drive, Milton, Ontario L9T 6G6

2. Location of Records relating to Collateral

1525 Highway 11 North, Shanty Bay, Ontario

1101 Field Drive, Milton, Ontario L9T 6G6

3. Locations of Collateral

1525 Highway 11 North, Shanty Bay, Ontario

1101 Field Drive, Milton, Ontario L9T 6G6

Wherever Situate

This is Exhibit "D" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

CLiu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 9

Properties

PIN 58552 - 0076 LT Interest/Estate Fee Simple
 Description PT LT A CON 2 EPR ORO PTS 1 & 2, 51R6107; ORO-MEDONTE
 Address 1525 HIGHWAY 11
 SHANTY BAY

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 2644833 ONTARIO INC.
 Address for Service 7263 Second Line West
 Mississauga ON
 L5W 1M7

I, Aminullah Nawrozada, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name DUCA FINANCIAL SERVICES CREDIT UNION LTD.
 Address for Service 5255 Yonge Street, 4th Floor
 Toronto, Ontario
 M2N 6P4

Statements

Schedule: See Schedules

Provisions

Principal \$2,250,000.00 Currency CDN
 Calculation Period semi-annually, not in advance
 Balance Due Date 2026/04/09
 Interest Rate 24% per annum
 Payments
 Interest Adjustment Date 2021 04 09
 Payment Date 9th day of each month
 First Payment Date 2021 05 29
 Last Payment Date 2026 04 09
 Standard Charge Terms
 Insurance Amount Full insurable value
 Guarantor

Signed By

Marko Dakic 1000-120 Adelaide St. W. acting for Signed 2021 04 09
 Toronto
 M5H 3V1
 Chargor(s)

Tel 416-363-2211

Fax 416-363-0645

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

Schneider Ruggiero Spencer Milburn LLP 1000-120 Adelaide St. W. 2021 04 09
 Toronto
 M5H 3V1

Tel 416-363-2211

Fax 416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee \$65.30

The applicant(s) hereby applies to the Land Registrar.

Fees/Taxes/Payment

Total Paid \$65.30

File Number

Chargee Client File Number : 42507

SCHEDULE TO COLLATERAL MORTGAGES

Any reference to the "Computer Field" in this Charge means a computer data entry field in a charge registered pursuant to Part 111 of the *Land Registration Reform Act* (Ontario) into which the terms and conditions of this Charge may be inserted.

1. **Definitions.** In this Schedule, the following terms shall have the following meanings:
- (a) "**Applicable Laws**" means all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licences, authorizations and approvals.
 - (b) "**Bankruptcy Legislation**" means any present or future bankruptcy or insolvency legislation, including where applicable the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada).
 - (c) "**Business Day**" means any day other than a Saturday, Sunday or any statutory or civic holiday observed in the Province of Ontario.
 - (d) "**Charge**" means the charge prepared in the electronic format and registered electronically pursuant to Part 111 of the LRRRA, including this Schedule and any other schedules thereto.
 - (e) "**Chargee**" means DUCA Financial Services Credit Union Ltd.
 - (f) "**Chargor**" means the person or persons indicated in the Computer Field of the Charge entitled "**Chargor(s)**".
 - (g) "**Costs**" means all fees, costs, charges and expenses of the Chargee of and incidental to (a) the negotiation, preparation, execution and registration of the Charge and any other instruments connected therewith and every renewal or discharge thereof; (b) the collection of any amounts payable hereunder, enforcement of any covenants contained herein and the realization of the security herein contained; (c) procuring or attempting to procure payment of any Indebtedness or any other amounts due and payable hereunder including foreclosure, power of sale or execution proceedings commenced by the Chargee or any other party; (d) any inspection required to be made of the Mortgaged Premises, or review of plans, specifications and other documentation which may require the approval or consent of the Chargee; (e) all repairs and replacements required to be made to the Mortgaged Premises; (f) the Chargee having to go into possession of the Mortgaged Premises and secure, complete and equip the Fixtures or Improvements in any way in connection herewith; and (g) solicitors' costs, charges and expenses relating to any of the foregoing and any necessary examination of title to the Mortgaged Premises. For greater certainty, Costs shall (i) extend to and include legal costs incurred by the Chargee; (ii) be payable forthwith by the Chargor; and (iii) be a charge on the Mortgaged Premises. Costs include interest at the highest interest rate applicable to the Indebtedness on all such fees, costs, charges and expenses.
 - (h) "**Event of Default**" has the meaning ascribed thereto in Section 12.
 - (i) "**Fixtures**" includes all fixtures, buildings, erections, appurtenances, plants and improvements, fixed or otherwise, now or hereafter put on the Lands, including all fences, furnaces, oil burners, water heaters, electric light fixtures, window blinds, screen and storm doors and windows, and all air-conditioning, plumbing, cooling, ventilating, cooking, refrigeration and heating equipment and all other apparatus and equipment appurtenant to the Mortgaged Premises.
 - (j) "**Improvement**" includes any construction, installation, alteration, addition, repair or demolition to any part of the Mortgaged Premises.
 - (k) "**Indebtedness**" means all obligations, debts and liabilities, whether present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed now or at any time hereafter owing by the Chargor to the Chargee, whether as principal or surety, whether alone or jointly with any other person and in whatever name, style or form, whether otherwise secured or not and whether arising from dealings between the Chargee and the Chargor or from other dealings or proceedings by which the Chargee may become a creditor of the Chargor and whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and all interest, compound interest, damages and Costs, and all premiums of insurance upon the Improvements and Fixtures, Taxes and other amounts paid by the Chargee in accordance with the provisions of this Charge.
 - (l) "**LRRRA**" means the *Land Registration Reform Act* (Ontario)
 - (m) "**Lands**" means the lands and premises described in the Computer Field of the Charge entitled "Properties".
 - (n) "**Lien**" means any mortgage, charge, pledge, hypothec, assignment, lien, lease, sublease, easement, preference, priority, trust or other security interest or encumbrance of any kind or nature whatsoever with respect to any property or asset, including any title reservations, limitations, provisos or conditions.
 - (o) "**Mortgaged Premises**" means the Lands, Fixtures and Improvements.
 - (p) "**Permitted Encumbrances**" means (a) Liens for Taxes not at the time due; and (b) any other Liens disclosed by the registered title to the Lands provided the same (i) do not, in the Chargee's opinion, in the aggregate, materially impair the development, management, ownership, operation, value or marketability of the Mortgaged Premises or any part thereof; (ii) are materially complied with by the Chargor and the Mortgaged Premises; and (iii) do not, in the Chargee's opinion, pose any threat to the Mortgaged Premises.

- (q) “**person**” means any individual, general or limited partnership, joint venture, sole proprietorship, corporation, unincorporated association, trust, trustee, estate trustee, legal representative or governmental authority.
 - (r) “**Prime**” and “**Prime Rate**” when referred to in the Computer Field of the Charge entitled “Interest Rate” means the annual rate of interest announced from time to time by DUCA Financial Services Credit Union Ltd. as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada and designated by the Chargee as its prime rate.
 - (s) “**Principal Amount**” means the amount indicated in the Computer Field of the Charge entitled “Principal”.
 - (t) “**Receiver**” shall include one or more of a receiver and a receiver and manager of all or any portion of the Mortgaged Premises appointed by the Chargee pursuant to this Charge.
 - (u) “**Taxes**” means all taxes, rates and other impositions whatsoever which are now or may hereafter be imposed, charged or levied by any authority creating a lien or charge on the Mortgaged Premises or any part thereof.
 - (v) “**Transfer**” means (a) any conveyance, assignment, transfer, sale, granting or creation of an option or trust with respect to, or other disposition of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) any legal or beneficial interest in the Mortgaged Premises or any part thereof; or (b) any change in the effective voting control of any person comprising the Chargor or any beneficial or unregistered owner of any part of the Mortgaged Premises from that existing as of the date of this Charge (including any change of ownership of 50% or more of the voting securities representing an interest in any such person) and shall include any agreement to do or complete any of the matters referred to in (a) or (b) above.
2. **Implied Covenants.** The implied covenants deemed to be included in the Charge by sections 7(1) 1. iii., and 7(1) 2. of the LRRRA are hereby varied by deleting therefrom the words “except as the records of the land registry office disclose” and substituting therefor “except Permitted Encumbrances”. The implied covenant deemed to be included in the Charge by section 7(1) I. vii. of the LRRRA is hereby varied to provide that “the Chargor or the Chargor’s successors will, before and after default, execute and deliver such further assurances of the Mortgaged Premises and do such other acts, at the Chargor’s expense, as may be required by the Chargee”. The implied covenants deemed to be included in a charge under section 7(1) of the LRRRA are in addition to and shall not be interpreted to supersede or replace any of the covenants contained in this Charge which are covenants by the Chargor, for the Chargor and the Chargor’s successors and assigns with the Chargee and the Chargee’s successors and assigns. In the event of any conflict between any of the covenants implied by the LRRRA, and any other covenant or provision contained herein, the covenant or provision contained herein shall prevail.
 3. **Successors.** Notwithstanding the definition of the word “successor” in the LRRRA, the word “successor” as used in this Charge shall include an heir, executor, administrator, estate trustee, personal representative or successor.
 4. **Charge.** In consideration of the sum of \$10.00 and other good and valuable consideration (the receipt and sufficiency whereof are hereby acknowledged by the Chargor) and as a continuing security for the payment to the Chargee of the Indebtedness and to secure the performance of all the obligations of the Chargor hereunder, the Chargor hereby charges the Mortgaged Premises with payment to the Chargee of any ultimate outstanding balance of the Indebtedness due and remaining unpaid and the performance of the Chargor’s obligations hereunder, provided that such security shall be limited to the aggregate of the Principal Amount, Costs and any other amounts payable hereunder, and with the powers of sale hereinafter expressed.
 5. **Defeasance.** Provided this Charge to be void upon payment in full on demand of all the Indebtedness and the performance in full of all the obligations of the Chargor hereunder up to a maximum amount of the aggregate of the Principal Amount, Costs and any other amounts payable hereunder, together with Taxes and performance of statute labour, and observance and performance of all covenants, provisos and conditions herein contained.
 6. **Demand.** In the event that the Chargor is called upon to pay any Indebtedness in accordance with its terms or if any Event of the Default has occurred which has not been remedied, the Chargor shall be obligated to pay and the Chargee shall be entitled to forthwith make demand for payment of all such Indebtedness and any other monies secured hereby.
 7. **Covenants of Chargor.** The Chargor hereby covenants, agrees and declares as follows:
 - (a) The Chargor has good title in fee simple to the Mortgaged Premises free of all encumbrances other than the Permitted Encumbrances.
 - (b) The Chargor has the right to convey the Mortgaged Premises to the Chargee.
 - (c) On default, the Chargee shall have quiet possession of the Mortgaged Premises, free from all encumbrances other than the Permitted Encumbrances.
 - (d) The Chargor will execute at the Chargor’s expense such further assurances of the Mortgaged Premises as may be requisite.

- (e) The Chargor has done no act to encumber the Mortgaged Premises, except the Permitted Encumbrances.
 - (f) The Chargor shall pay as they fall due all Permitted Encumbrances and Taxes and shall not suffer any construction, statutory or other liens or rights of retention, other than Permitted Encumbrances, to remain outstanding upon any of the Mortgaged Premises. The Chargor shall, within one month from the date fixed for payment of the last instalment of Taxes in each year, furnish the Chargee, if requested by it, with receipted tax bills showing all such Taxes for the year have been paid in full.
 - (g) The Chargor will insure, with insurance companies satisfactory to the Chargee, the Mortgaged Premises to the amount of not less than their full replacement cost in dollars of lawful money of Canada. Such insurance shall have "Extended Coverage" and "Replacement Cost" endorsements and include not only insurance against loss or damage by fire, but also insurance against loss or damage by war, the enemy, explosion, tempest, tornado, cyclone, lightning and such other risks or hazards as the Chargee may reasonably require at any time and from time to time and, if requested by the Chargee, against loss or damage from any other cause with insurers approved by the Chargee, and the Chargor will pay all premiums necessary for such purposes as the same shall become due. The Chargee may require any such insurance to be cancelled and new insurance to be effected with insurance companies satisfactory to the Chargee. The loss under all policies or contracts of insurance shall be payable to the Chargee as mortgagee or as its interest may appear and such policies or contracts shall contain the Insurance Bureau of Canada standard mortgage clause and shall be in terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee, if requested by it, at least three Business Days before the expiration thereof, otherwise the Chargee may provide therefor and charge the premium paid to the Chargor and the same shall be payable forthwith and shall also be a charge upon the Mortgaged Premises.
 - (h) All Fixtures are and shall, immediately on being placed upon the Mortgaged Premises, become fixtures and a part of the Mortgaged Premises, and form a part of this security; and the Chargor hereby grants and releases to the Chargee all its claims upon the Mortgaged Premises subject to the aforesaid proviso for defeasance.
 - (i) The Chargee may distrain for arrears of interest, if any, and for overdue principal and any other sum payable hereunder. The Chargor waives the right to claim exceptions and agrees that the Chargee shall not be limited in the amount for which it may distrain.
 - (j) The Chargee may make any payment or cure any default under any Permitted Encumbrance and may pay and satisfy the whole or any part of any liens, Taxes, charges or encumbrances now or hereafter existing in respect of the Mortgaged Premises. In the event of the Chargee making any such payment or curing a default or satisfying any such liens, Taxes, charges or encumbrances it shall be entitled to all the equities and securities of the person or persons so paid and is hereby authorized to retain any discharge thereof without registration for so long as it may think fit so to do.
 - (k) The Chargor will keep the Mortgaged Premises in good condition and repair and shall not permit any act of waste to be committed upon the Mortgaged Premises; the Chargee may, whenever it deems it necessary or desirable, by its agent enter upon and inspect the same and in the event of a default hereunder the reasonable cost of such inspection shall be payable by the Chargor to the Chargee. If the Chargor neglects to keep the Mortgaged Premises in good condition and repair or commits or permits any act of waste on the Mortgaged Premises (as to which the Chargee shall be sole judge), the Chargee may make such repairs and replacements as it deems necessary.
 - (l) The Chargor shall diligently and continuously construct in a good and workmanlike manner any unfinished Fixtures and, in the event that any material amount of work is not done on such Fixtures for a period of ten consecutive days, the Chargee or its representatives may enter into the Mortgaged Premises and do any or all work which they may consider necessary or desirable to complete such Fixtures or to protect the same from deterioration.
 - (m) The Chargor shall not make any material Improvement, whether financed by the Chargee or otherwise, without the prior written consent of the Chargee and except in accordance with contracts, plans and specifications approved by the Chargee in writing prior to the commencement of work on the Improvement.
 - (n) The Chargor shall at all times comply with all Applicable Laws relating to it and the Mortgaged Premises, including all applicable zoning by-laws, rent control legislation and construction lien legislation.
8. **Quiet Possession.** Until default of payment, the Chargor shall have quiet possession of the Mortgaged Premises.
9. **Waivers.** The Chargee may waive any breach by the Chargor of any of the provisions contained in this Charge or any default by the Chargor in the observance or performance of any covenant or condition required to be observed or performed by the Chargor hereunder, provided that no such waiver by the Chargee shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.
10. **Performance of Covenants.** If the Chargor shall fail to perform any covenant on its part herein contained, the Chargee may in its absolute discretion perform any such covenant capable of being

performed by it. If any such covenant requires the payment of money or if the Mortgaged Premises shall become subject to any encumbrance ranking in priority to the lien hereof other than a Permitted Encumbrance, the Chargee may make such payment or pay or discharge such encumbrance, but shall be under no obligation to do so. All sums so paid by the Chargee shall immediately be payable by the Chargor to the Chargee and shall constitute a charge upon the Mortgaged Premises. No such performance or payment shall relieve the Chargor from any default hereunder or any consequences of such default.

11. **Continuing and Additional Security.** The security hereby constituted is a continuing security for the payment of all Indebtedness and the fulfillment of all the obligations of the Chargor hereunder and such security is in addition to any other security now or hereafter held by the Chargee. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the monies secured hereby, shall not release or affect the obligations of the Chargor hereunder or the charges created hereby.
12. **Default.** The security hereby created shall become enforceable in each of the following events (each event being herein called an "Event of Default"):
- (a) if the Chargee shall make an authorized and proper demand for payment of any Indebtedness or any other monies hereby secured and payment in full has not been received by the Chargee within the time limited therefor;
 - (b) if the Chargor defaults in the performance or observance of any other covenant or condition herein contained and such default shall continue for 15 days after written notice thereof to the Chargor by the Chargee;
 - (c) if there is any material misrepresentation or misstatement contained in any certificate or document delivered by the Chargor or any representative of the Chargor to the Chargee in connection with this Charge or the Indebtedness;
 - (d) if a petition is filed under any Bankruptcy Legislation against the Chargor or an authorized assignment made or a Receiver appointed under any Bankruptcy Legislation or by or on behalf of a secured creditor of the Chargor or a proposal made to the creditors of the Chargor under any Bankruptcy Legislation;
 - (e) if any execution, distress, sequestration or any other process of any court becomes enforceable against any of the property of the Chargor, or if a distress or like process is levied upon any of such property;
 - (f) if the Chargor commits any act of bankruptcy;
 - (g) if any portion of the Mortgaged Premises is expropriated by any governmental body or authority which the Chargee (in its sole discretion) considers material;
 - (h) if a Transfer is made or permitted without the prior written consent of the Chargee in its sole discretion; or
 - (i) if a Lien shall be created, issued, incurred or permitted to exist (by operation of law or otherwise and whether prior or subordinate to the security of this Charge) on any part of the Mortgaged Premises or any interest therein (except in favour of the Chargee as security for the Indebtedness) without the prior written consent of the Chargee in its sole discretion.
13. **Remedies.** Upon the happening of any Event of Default, in addition to any other rights or remedies available to it hereunder or at common law or in equity or pursuant to any statute, the Chargee shall have the following rights and powers:
- (a) To enter upon and possess all or any part of the Mortgaged Premises;
 - (b) To preserve and maintain the Mortgaged Premises and make such replacements thereof and additions thereto as it shall deem advisable;
 - (c) On default of payment for at least 15 days the Chargee or its agents or representatives may on giving the notice, if any, required hereby enter on and/or lease the Mortgaged Premises or on default of payment for at least 15 days may on at least 35 days' notice sell the Mortgaged Premises. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by giving it in accordance herewith; and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. The Chargee may sell the Mortgaged Premises or any part thereof by public auction or private sale, for such price as can reasonably be obtained therefor, and on such terms as to credit and otherwise, and with such conditions of sale and stipulations as to title or evidence or commencement of title or otherwise, as it shall in its discretion deem proper, and in the event of any sale on credit or for part cash and part credit, the Chargee shall not be accountable for or charged with any monies until actually received. The Chargee may rescind or vary any contract of sale and may buy in and resell the Mortgaged Premises or any part thereof without being answerable for loss occasioned thereby. No purchaser or lessee shall be bound to inquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety of any kind; and no lack of default or want of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease hereunder. The Chargee may sell or lease without entering into actual possession of the Mortgaged Premises and when it desires to take possession it may break locks and bolts and while in possession or upon any

- sale or lease the Chargee shall be accountable only for monies which are actually received by it. Sales may be made from time to time of parts of the Mortgaged Premises to satisfy any portion of the Indebtedness or other sums owing hereunder and leaving the Indebtedness or the residue thereof secured hereunder on the remaining Mortgaged Premises. The Chargor hereby appoints the Chargee its true and lawful attorney and agent to make application under the *Planning Act* (Ontario) and to do all things and execute all documents to effectually complete such sale. The Chargee may lease or take sale proceedings hereunder notwithstanding that other mortgage proceedings have been taken or are then pending; and
- (d) To appoint by instrument any person or persons to be a Receiver of all or any portion of the undertaking, property and assets of the Chargor forming the Mortgaged Premises and all rents, issues, incomes and profits to be derived therefrom, to fix the Receiver's remuneration and from time to time to remove any Receiver so appointed and appoint another or others in its stead.

14. **Receiver.** Any Receiver shall have all of the powers of the Chargee set forth in this Charge and, in addition, shall have the following powers:

- (a) To lease all or any portion of the Mortgaged Premises and for this purpose execute contracts in the name of the Chargor, which contracts shall be binding upon the Chargor and the Chargor hereby irrevocably constitutes such Receiver as its attorney for such purposes;
- (b) To take possession of the Mortgaged Premises, collect all rents, issues, incomes and profits derived therefrom and realize upon any additional or collateral security granted by the Chargor to the Chargee and for that purpose may take any proceedings in the name of the Chargor or otherwise; and
- (c) To carry on or concur in carrying on the business which the Chargor is conducting on and from the Mortgaged Premises and for that purpose the Receiver may borrow money on the security of the Mortgaged Premises in priority to this Charge.

Any Receiver appointed pursuant to the provisions hereof shall be deemed to be the agent of the Chargor for the purposes of (i) carrying on and managing the business and affairs of the Chargor; and (ii) establishing liability for all the acts or omissions of the Receiver while acting in any capacity hereunder and the Chargee shall not be liable for such acts or omissions; provided that, without restricting the generality of the foregoing, the Chargor irrevocably authorizes the Chargee to give instructions to the Receiver relating to the performance of its duties as set out herein.

15. **Application of Monies.** All monies actually received by the Chargee or the Receiver pursuant hereto shall be applied, subject to any claims of creditors of the Chargor ranking in priority to the charges created by this Charge, in the following manner: (a) First, in or towards payment of all applicable Costs; (b) Second, in or towards payment or satisfaction of any remaining Indebtedness in such order as the Chargee in its sole discretion may determine; and (c) Third, any surplus shall be paid to the Chargor or as required by Applicable Law.

16. **Release. Extensions.** The Chargee may in its sole discretion at all times release any part or parts of the Mortgaged Premises either with or without any consideration therefor, without responsibility therefor and without thereby releasing any other part of the Mortgaged Premises or any person from its obligations under this Charge, the Indebtedness or from any of the covenants herein contained and without being accountable to the Chargor for the value thereof or for any money except that actually received by the Chargee, it being expressly agreed that every part of the Mortgaged Premises into which it is or may hereafter be divided does and shall stand charged with the whole of the amount hereby secured. The Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take additional securities, may give any securities up, may abstain from taking securities or from perfecting securities, may accept compositions, and may otherwise deal with the Chargor and all other persons and securities as the Chargee may see fit without prejudicing the rights of the Chargee under this Charge.

17. **No Change in Rights.** No sale or other dealing by the Chargor with the Mortgaged Premises or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or the Mortgaged Premises or the amount or terms of any Indebtedness or any guarantee thereof.

18. **No Merger.** The taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants.

19. **Assignment of Rents.** Subject to the proviso for defeasance, and as additional and separate continuing collateral security for the Chargor's obligations hereunder, the Chargor hereby assigns to the Chargee all present and future leases of the Mortgaged Premises or any part thereof, and all rents, issues, incomes and profits now or hereafter derived from the leases or the Mortgaged Premises or any part thereof, together with the benefit of all covenants, agreements and provisos contained in such leases. The Chargor will execute and deliver to the Chargee, from time to time, upon the request of the Chargee and at the expense of the Chargor, assignments in registrable form of all leases and rents relating to the Mortgaged Premises and such other notices or documents as may be required by the Chargee. Nothing in this Charge shall make the Chargee responsible for the

collection of rents payable under any lease of the Mortgaged Premises or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease. The Chargee shall be liable to account only for such rents as actually come into its hands after the deduction of collection charges in respect thereof and may apply such rents to the repayment of the Indebtedness.

20. **Disclosure of Information.** The Chargor acknowledges that the Chargee may be obliged to release information relating to this Charge and the Indebtedness and any amounts advanced thereunder or secured hereby. The Chargor hereby authorizes the Chargee to release all such information and any other information it may, from time to time, be required to release by Applicable Law to those entitled to such information.
21. **Discharge.** After payment in full of all Indebtedness and Costs, the Chargee shall within a reasonable period of time after receipt of a written request therefor from the Chargor, provide the Chargor with a discharge of the Charge or an assignment or transfer of the Charge if so required and directed by the Chargor; any such discharge, assignment or transfer shall be prepared by the Chargee at the expense of the Chargor.
22. **Governing Law.** This Charge shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
23. **Notice.** Any notice required or desired to be given hereunder or under any instrument supplemental or collateral hereto shall be in writing and may be given either by personally delivering the same or by sending the same by registered mail, postage prepaid, to the Chargor or the Chargee at its address for service indicated in the Computer Field of this Charge entitled "Chargor(s)" and "Chargee(s)" respectively. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice so mailed shall be conclusively deemed given on the third Business Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall be given by personal delivery only. Any address for notice or payments may be changed by notice given pursuant hereto.
24. **Condominium Provision.** If any part the Mortgaged Premises is a condominium unit (a) the Chargor shall promptly observe and perform all of its covenants, duties and obligations under or pursuant to the *Condominium Act* (Ontario) (the "CA") and the declaration, by-laws and rules of the condominium corporation created by registration of the declaration and the description relating thereto of which the condominium unit forms part (the "Condominium Corporation"); (b) the Chargor will pay promptly when due any and all contributions to common expenses and all other levies, charges and assessments made, assessed or levied by or on behalf of the Condominium Corporation payable in respect of, or charged to the owner of, the Mortgaged Premises (all such common expenses, levies, charges, assessments are called "unit charges"); (c) upon request by the Chargee from time to time, the Chargor shall provide satisfactory proof to the Chargee that all unit charges have been paid in full; (d) if the Chargor does not pay any unit charges when due, then, without limiting any of other rights and remedies of the Chargee hereunder or otherwise at law or in equity, the Chargee may (but shall not be obligated to do so) pay the same and the amount so paid shall be added to the Indebtedness and secured by this Charge and shall be payable forthwith to the Chargee upon demand; (e) promptly following receipt thereof, the Chargor shall deliver to the Chargee copies of every notice, assessment, request, claim or demand, notice of meeting and all other documentation or information of any kind relating to the condominium unit or the Condominium Corporation received by the Chargor so that the Chargee receives them at least ten days prior to the date that any response, payment or other action is required; (f) any default by the Chargor under this section (regardless of any action or proceedings taken or proposed by the Condominium Corporation) shall be an Event of Default under this Charge; (g) the Chargor hereby irrevocably assigns to the Chargee, and irrevocably authorizes and empowers the Chargee to exercise, all rights of the Chargor as the owner of the Mortgaged Premises to vote or to consent to all matters relating to the affairs of the Condominium Corporation, provided however that (i) the Chargee may at any time and from time to time give notice in writing to the Chargor and to the Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes such notice the Chargor may exercise the right to vote or consent in respect of all matters not requiring a unanimous resolution (any such notice may be for an indeterminate period of time or for a specific meeting or matter); (ii) the Chargee's right to vote and consent do not impose any obligation on the Chargee to consult with the Chargor as to the manner in which such right to vote or consent will be exercised or not exercised or to protect the Chargor's interests and the Chargee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and (iii) neither this assignment and authorization in favour of the Chargee nor the exercise by the Chargee of the right to vote or consent shall constitute the Chargee a mortgagee in possession nor give rise to any liability on the part of the Chargee; (h) this Charge includes a mortgage, charge, assignment and sublease in favour of the Chargee of any lease or rights to occupy any parking space or spaces in the Mortgaged Premises demised to or reserved or designated for exclusive use by the Chargor or its condominium unit and of any lease or right to exclusive use of any common Mortgaged Premises or special privileges in respect thereof granted to the Chargor or its condominium unit; (i) without limiting the obligations of the Chargor hereunder, the Chargor shall cause the Condominium Corporation to maintain the insurance required by this Charge with respect to all the Mortgaged Premises which are governed by

the CA for the benefit of the Chargee and shall cause the Condominium Corporation to comply fully with the terms of the required policies of insurance and the insurance provisions of the CA and the declaration, by-laws and rules of the Condominium Corporation; (j) in addition to the Events of Default set out herein, it shall be an Event of Default if (i) the government of the Mortgaged Premises by the Condominium Corporation or any part thereof by the CA is terminated; or (ii) a vote of the Condominium Corporation authorizes the sale of all or substantially of its property or assets or all or any part of its common elements which are all or any part of the Mortgaged Premises, or if any part of such common elements of the Condominium Corporation is expropriated; or (iii) the Condominium Corporation fails to comply with any provision of the CA or the declaration, by-laws or any of the rules of the Condominium Corporation; or (iv) the Condominium Corporation fails to insure the condominium units and the common elements governed by it in accordance with the CA and declaration and by-laws of the Condominium Corporation; or (v) in the Chargee's opinion, the Condominium Corporation fails to manage its property and assets in a prudent and businesslike manner and in keeping with the highest standards for similar properties in the locality in which the Mortgaged Premises are located.

25. **Multi-Residential Properties.** If the Mortgaged Premises are a multi-residential property, the Chargor represents and warrants with respect to the Mortgaged Premises as follows: (a) except as permitted by Applicable Laws in respect of residential housing (i) no demolition, conversion, renovation, repair or severance has taken place with respect to the Mortgaged Premises; and (ii) there have been no increases in the rental rate charged for any residential rental unit or units on the Mortgaged Premises; (b) in accordance with Applicable Laws in respect of residential housing (i) all rents charged with respect to the Mortgaged Premises are lawful rents and all required rebates have been paid; and (ii) all required filings have been made and were timely, accurate and complete; and (c) under Applicable Laws in respect of residential housing (i) no applications, investigations or proceedings have been commenced or made; and (ii) there are no outstanding orders or decisions made by any governmental authority with respect to the Mortgaged Premises or any residential rental unit. On request by the Chargee, the Chargor shall provide a statutory declaration by an officer or director of the Chargor that the above representations and warranties are true and correct. The Chargor shall deliver to the Chargee on request all documents required to establish the legality of rents.

The Chargor hereby authorizes all governmental authorities having jurisdiction over residential housing to release to the Chargee or its solicitors any and all information contained in their files. The Chargor shall comply with the provisions of all Applicable Laws while this Charge is continuing. Any breach of this covenant or any material incorrectness of any of the representations and warranties hereinabove contained shall be an Event of Default under this Charge.

26. **Construction.** In this Charge (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the words "including", "includes" and "include" shall mean "including without limitation", "includes without limitation" and "include without limitation" respectively; (c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor statute thereto; (d) any reference to any agreement or instrument shall include all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto from time to time; (e) reference to the Chargee, Chargor, any beneficial owner of the Mortgaged Premises, and any other person shall include their respective heirs, estate trustees, legal representatives, successors and assigns, and reference to a "corporation" shall include a company or other form of body corporate; (f) all dollar amounts are expressed in Canadian dollars; (g) the division of this Charge into separate sections and subsections, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Charge; (h) the Chargee's right to give or withhold any consent or approval, make any determination or exercise any discretion shall be exercised by the Chargee acting reasonably unless otherwise expressly provided, except that following an Event of Default, the Chargee shall be entitled to exercise the same in its sole discretion; (i) if more than one person is named as Chargor, or otherwise becomes liable for or assumes the obligations and liabilities of the Chargor, then the obligations and liabilities of all such persons shall be joint and several; (j) time shall be of the essence; (k) all obligations of the Chargor in this Charge will be deemed to be covenants by the Chargor in favour of the Chargee; and (l) in the event of any conflict or inconsistency between any provision of this Charge and the provisions of the commitment letter governing the loan between the Chargor and the Chargee, the commitment letter will prevail to the extent of any such conflict or inconsistency. The delivery of this Charge for registration by direct electronic transmission shall have the same effect for all purposes as if this Charge was in written form, signed by the Chargor and delivered to the Chargee.

This is Exhibit "E" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

Chiu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G



GUARANTEE

DATED: March 24th, 2021

LENDER: DUCA FINANCIAL SERVICES CREDIT UNION LTD. (the "Lender")

GUARANTOR: AMINULLAH NAWROZADA (the "Guarantor")

BORROWER: 2644833 ONTARIO INC. (the "Borrower")

DEBT: DUCA FINANCIAL SERVICES CREDIT UNION LTD. LOAN TO 2644833 ONTARIO INC. (collectively the "Loan")

LIMIT OF LIABILITY: \$UNLIMITED (the "Limited Amount")

RECITALS:

- A. The Lender has made or is making the Loan to the Borrower pursuant to a commitment letter governing the Loan between the Borrower and the Lender as the same may be amended from time to time (collectively, the "Commitment Letter").
- B. The Guarantor has agreed to provide this Guarantee to the Lender.

IN CONSIDERATION of the Lender agreeing to make the Loan to the Borrower and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with the Lender as follows:

1. **Guarantee.** The Guarantor hereby unconditionally and irrevocably guarantees payment and performance by the Borrower to the Lender of all the debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender on account of the Loan and the Commitment Letter or remaining unpaid or unsatisfied by the Borrower to the Lender in respect thereof (the "Outstanding Balance") to the limited amount together with interest thereon and costs as provided for herein (collectively, the "Obligations").
2. **Indemnity.** If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1 hereof for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Lender from and against all losses resulting from the failure of the Borrower to perform such Obligations.
3. **Primary Obligation.** If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1 hereof or the Lender is not indemnified under Section 2 hereof, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.
4. **Guarantee Absolute.** The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:
 - (a) any lack of validity or enforceability of any agreements between the Lender and the Borrower or any change in the time, manner or place of payment of or in any other term of such agreements or the failure on the part of the Borrower to carry out any of its obligations under



- such agreements;
- (b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
- (c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Borrower or any party to any agreement to which the Lender is a party in respect of the Commitment Letter;
- (d) any lack or limitation of power, incapacity or disability on the part of the Borrower or the Lender, or of the directors, partners or agents thereof, or any other irregularity, defect or informality on the part of the Borrower in its obligations to the Lender; or
- (e) any other law, regulation or other circumstance which might otherwise constitute a defence available to, or a discharge of the Borrower in respect of any or all of the Obligations.

The liability of the Guarantor hereunder shall be for the full amount of the Obligations without apportionment, limitation or restriction of any kind. If more than one person (which for the purposes of this Guarantee means any means any individual, general or limited partnership, joint venture, sole proprietorship, corporation, unincorporated association, trust, trustee, estate trustee, legal representative or governmental authority) is named as or otherwise becomes liable for or assumes the obligations and liabilities of the Guarantor hereunder, then the obligations and liabilities of all such persons shall be joint and several.

5. **No Release.** The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Lender in connection with any duties or liabilities of the Borrower to the Lender or any security therefor including any loss or release of or in respect of any security received by the Lender. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, the Lender may discontinue, reduce, increase or otherwise vary the credit of the Borrower in any manner whatsoever without the consent of or notice to the Guarantor and may, either with or without consideration and at any time:
- (a) make any change in the time, manner or place of payment under, or in another term of any agreement between the Borrower and the Lender;
 - (b) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;
 - (c) take or abstain from taking or enforcing securities or collateral from the Borrower or from perfecting securities or collateral of the Borrower;
 - (d) accept compromises from the Borrower;
 - (e) apply all money at any time received from the Borrower or from securities upon such part of the Obligations as the Lender may see fit or change any such application in whole or in part from time to time as the Lender may see fit; and
 - (f) otherwise deal with the Borrower and all other persons and securities as the Lender may see fit.
6. **Continuing Guarantee.** This Guarantee shall be a continuing guarantee of the Obligations and shall apply to and secure any ultimate balance due or remaining due to the Lender and shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lender. The Guarantor shall not be released or discharged from any of its obligations hereunder except upon payment of the total amount guaranteed hereunder together with interest thereon as provided for herein. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Lender upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made. Any account settled or stated in writing by or between the Lender and the Borrower shall be *prima facie* evidence that the balance or amount thereof appearing due to the Lender is so due. This Guarantee is in addition to and not in substitution



for any other guarantee, by whomsoever given, at any time held by the Lender, and any present or future obligation to the Lender incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Borrower; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Lender to be cancelled.

7. **Demand.** The Guarantor shall make payment to the Lender of the total amount guaranteed hereunder forthwith after demand therefor is made to the Guarantor. The Lender shall not be bound or obligated to exhaust its recourse against the Borrower or other persons or any securities or collateral it may hold or take any other action before being entitled to demand payment from the Guarantor hereunder. In any claim by the Lender against the Guarantor, the Guarantor may not assert any set-off or counterclaim that either the Guarantor or the Borrower may have against the Lender.
8. **Interest and Costs.** The Guarantor shall pay interest to the Lender at the interest rate provided for in the Commitment Letter on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to accrue from and including the date of demand by the Lender on the Guarantor. The Guarantor shall pay all reasonable costs and expenses incurred by the Lender in enforcing this Guarantee.
9. **Release.** If more than one person guarantees any of the Obligations of the Borrower to the Lender under this Guarantee or any other instrument, the Lender may release any of those persons on any terms the Lender chooses and each person executing this Guarantee who has not been released shall remain liable to the Lender under this Guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.
10. **Assignment, Postponement and Subrogation.** All debts and liabilities, present and future, of the Borrower to the Guarantor are hereby assigned to the Lender and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be held in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and paid in full. The Guarantor will not be entitled to subrogation until the Obligations are performed and paid in full.
11. **Benefit of the Guarantee.** The Guarantor acknowledges and agrees that the Lender may hold the Loan, this Guarantee and any and all related documents as custodian and agent for all persons having an ownership interest in the Loan from time to time and this Guarantee shall enure to the benefit of the Lender and each such person and their respective successors and assigns. The Guarantor agrees that all enforcement actions or proceedings may be brought by the Lender under the Loan and this Guarantee on behalf of all persons having an ownership interest in the Loan and waives any requirement that any such person be a party thereto. This Guarantee shall be binding upon the Guarantor and its heirs, estate trustees, legal representatives, successors and assigns. Where any reference is made in this Guarantee to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to a trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to the trustees of the trust. Subject to the terms of the Commitment Letter, this Guarantee may be



transferred or assigned by the Lender without restriction and without notice to or the consent of the Guarantor.


12. **Entire Agreement.** The Commitment Letter and this Guarantee constitutes the entire agreement between the Guarantor and the Lender with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties with respect to the subject matter of this Guarantee except as expressly set forth herein or the Commitment Letter. The Lender shall not be bound by any representations or promises made by the Borrower to the Guarantor and possession of this Guarantee by the Lender shall be conclusive evidence against the Guarantor that the Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with. The Guarantor has reviewed all of the security held by the Lender in respect of the Commitment Letter as of the date of this Guarantee.
13. **Amendments and Waivers.** No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Lender. No waiver of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.
14. **Severability.** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.
15. **Notices.** Any demand, notice or other communication to be made or given to the Guarantor in connection with this Guarantee may be made or given by personal delivery, by registered mail or by facsimile transmission addressed to the last known address of the Guarantor as shown in the Lender's records. Any demand, notice or communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, and if given by registered mail, on the third business day in Ontario following deposit thereof in the mail, and if given by facsimile transmission, on the first business day in Ontario following the transmittal thereof.
16. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws other than the laws in force in such Province applying to this Guarantee; and the Guarantor consents to the jurisdiction of the courts of such Province and irrevocably agrees that, subject to the Lender's election in its sole discretion, all actions or proceedings arising out of or relating to this Guarantee shall be litigated in such courts and the Guarantor unconditionally accepts the non-exclusive jurisdiction of the said courts and waives any defense of *forum non-conveniens*, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Guarantee, provided nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of the Lender to bring proceedings against the Guarantor or the Borrower in the courts of any other jurisdiction.
17. **Counterparts.** This Guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Guarantee by telecopy, PDF or other similar electronic means shall be effective as delivery of a manually executed counterpart of this Guarantee.

[The remainder of this page is blank. The signature page follows]



IN WITNESS WHEREOF the Guarantor has executed this Guarantee and acknowledges receipt of a fully executed copy thereof.


Witness: Christine Gomes


Name: Aminullah Nawrozada

K:\Clients A to G\Duca Financial Credit Union\1950897 Ontario Ltd. (Constable) -42508\Documents\Form - Guarantee - Individual.docx

This is Exhibit "F" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

CLiu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G

UNDERTAKING

TO: DUCA FINANCIAL SERVICES CREDIT UNION LTD.

AND TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP, its lawyers herein

RE: DUCA Financial Services Credit Union Ltd. (the "**Lender**") loan/first mortgage to 2644833 Ontario Inc. (the "**Borrower**"), guarantee by Aminullah Nawrozada (the "**Guarantor**"), pursuant to a facility letter dated February 23, 2021, as it may be amended from time to time (the "**Facility Letter**"), relating to the property municipally known as 1525 Highway 11 North, Shanty Bay, Ontario and legally described in PIN 58552-0076(LT) (the "**Property**")

IN CONSIDERATION of the closing of the above transaction, the undersigned hereby undertake as follows:

1. To ensure that the 2021 realty tax bills for the Property, and any supplementary re-assessments respecting the current or any prior year or years, are paid in full.
2. To ensure that all unpaid water, hydro or other utility accounts (as applicable), which may form a lien upon the Property are paid in full at all times.
3. To not further encumber the Property without prior written consent from the Lender, which consent may be provided or withheld at its sole and unfettered discretion.

[signature page follows]

[Undertaking]


DATED this 24th day of March, 2021.

2644833 ONTARIO INC.

Per: 

Name: Aminullah Nawrozada
Title: President

I/We have authority to bind the Corporation


Witness: Christine Gomes


Name: Aminullah Nawrozada

This is Exhibit "G" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

CLiu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G

RUN NUMBER : 248
RUN DATE : 2023/09/05
ID : 20230905110530.72

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(6047)

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THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : 2644833 ONTARIO INC.

FILE CURRENCY : 04SEP 2023

ENQUIRY NUMBER 20230905110530.72 CONTAINS 6 PAGE(S), 2 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

CYBERBAHN - GABRIELLE BEDARD-DANIELS

199 BAY STREET
TORONTO ON M5L 1E9

CONTINUED... 2

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj6 05/2022)

Ontario 

RUN NUMBER : 248
RUN DATE : 2023/09/05
ID : 20230905110530.72

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(6048)

86

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2644833 ONTARIO INC.
FILE CURRENCY : 04SEP 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
780059178

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	2		20220131 1824 2355 0599	P PPSA	02

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
-------------	---------------	------------------	---------	---------

02 DEBTOR NAME
03 BUSINESS NAME 2644833 ONTARIO INC.

04 ADDRESS 1101 FIELD DRIVE MILTON ONTARIO CORPORATION NO. ON L9T 6G6

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
-------------	---------------	------------------	---------	---------

05 DEBTOR NAME
06 BUSINESS NAME
07 ADDRESS
08 SECURED PARTY / LIEN CLAIMANT MIJAR LIMITED

09 ADDRESS 121 GEORGE STREET NORTH, P.O BOX 1387 PETERBOROUGH ON K9J 7H6

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER INCLUDED		MATURITY OR	MATURITY DATE
X	X	X	X	X	1300000		

MOTOR VEHICLE	YEAR	MAKE	MODEL	V.I.N.
---------------	------	------	-------	--------

11 MOTOR VEHICLE
12 GENERAL COLLATERAL DESCRIPTION
13 GENERAL SECURITY AGREEMENT BETWEEN THE PARTIES DATED JANUARY 27, 2022
14 FOR ALL THE CHATTELS, EQUIPMENT, ETC. LOCATED AT 1525 HIGHWAY 11 N.,
15 SHANTY BAY GIVEN AS COLLATERAL SECURITY TO A REALTY MORTGAGE BETWEEN

16 REGISTERING AGENT JOEL S. MOLDAVER PROFESSIONAL CORPORATION
17 ADDRESS 121 GEORGE STREET NORTH, P.O BOX 1387 PETERBOROUGH ON K9J 7H6

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 248
RUN DATE : 2023/09/05
ID : 20230905110530.72

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(6049)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2644833 ONTARIO INC.
FILE CURRENCY : 04SEP 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
780059178

00

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	002	2		20220131 1824 2355 0599		

01

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02

DEBTOR NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

03

ADDRESS

04

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

05

DEBTOR NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

06

ADDRESS

07

SECURED PARTY / LIEN CLAIMANT

ADDRESS

09

COLLATERAL CLASSIFICATION

CONSUMER GOODS	MOTOR VEHICLE	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED			

10

YEAR MAKE MODEL V.I.N.

11

MOTOR VEHICLE

GENERAL COLLATERAL DESCRIPTION THE PARTIES IN THE AMOUNT OF \$1,300,000.00 SECURED AGAINST 1525 HIGHWAY 11 N., SHANTY BAY.

13

14

15

REGISTERING AGENT

16

17

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

4

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)



RUN NUMBER : 248
RUN DATE : 2023/09/05
ID : 20230905110530.72

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 4
(6050)

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TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2644833 ONTARIO INC.
FILE CURRENCY : 04SEP 2023

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER		
01	001	1		20230126 1026 2355 0627			
21	RECORD REFERENCED	FILE NUMBER	780059178				
22	PAGE-AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED B RENEWAL	RENEWAL YEARS 01	CORRECT PERIOD		
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME			
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	2644833 ONTARIO INC.				
25	OTHER CHANGE REASON/ DESCRIPTION						
02/05	DEBTOR/ TRANSFEREE	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
03/06	TRANSFEREE	BUSINESS NAME					
04/07	ADDRESS	-ONTARIO CORPORATION NO.					
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE					
08	ADDRESS						
09	COLLATERAL CLASSIFICATION						
10	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	DATE OF MATURITY OR	NO. FIXED MATURITY DATE
11	MOTOR VEHICLE GENERAL	YEAR	MAKE	MODEL	V. I. N.		
12	VEHICLE						
13	GENERAL						
14	COLLATERAL DESCRIPTION						
15	DESCRIPTION						
16	REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT	JOEL S. MOLDAVER PROFESSIONAL CORPORATION					
17	ADDRESS	121 GEORGE STREET NORTH, P.O BOX 1387 PETERBOROUGH ON K9J 7H6					

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

5

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(cr)2fv 05/2022

Ontario 

RUN NUMBER : 248
RUN DATE : 2023/09/05
ID : 20230905110530.72

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 5
(6051)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2644833 ONTARIO INC.
FILE CURRENCY : 04SEP 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
771010254

01 CAUTION FILING PAGE NO. OF PAGES TOTAL MOTOR VEHICLE SCHEDULE REGISTRATION NUMBER REGISTERED UNDER REGISTRATION PERIOD
001 001 20210329 1605 1862 4393 P PPSA 8

02 DEBTOR NAME DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 BUSINESS NAME 2644833 ONTARIO INC.

04 ADDRESS 7263 SECOND LINE W MISSISSAUGA ONTARIO CORPORATION NO. 2644833 ON L5W 1M7

05 DEBTOR NAME DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT DUCA FINANCIAL SERVICES CREDIT UNION LTD.

09 ADDRESS 5255 YONGE STREET, 4TH FLOOR TORONTO ON M2N 6P4

COLLATERAL CLASSIFICATION		MOTOR VEHICLE		AMOUNT	DATE OF	NO FIXED
CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED
	X	X	X	X	X	X

11 MOTOR VEHICLE YEAR MAKE MODEL V.I.N.

12 GENERAL COLLATERAL DESCRIPTION

13 REGISTERING AGENT SCHNEIDER RUGGIERO SPENCER MILBURN LLP (42507MD.SZ)

14 ADDRESS 1000-120 ADELAIDE STREET W. TORONTO ON M5H 3V1

17 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES



RUN NUMBER : 248
RUN DATE : 2023/09/05
ID : 20230905110530.72

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 6
(6052)

90

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2644833 ONTARIO INC.
FILE CURRENCY : 04SEP 2023

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
780059178	20220131 1824 2355 0599	20230126 1026 2355 0627		
771010254	20210329 1605 1862 4393			

3 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj6 05/2022)

Ontario 

This is Exhibit "H" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

Chiu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G



Owner

4346-010-007-02000-0000
2644833 ONTARIO INC
1101 FIELD AVE
MILTON ON L9T 6G6
Canada

Certificate #

395

Certified as of

September 15, 2023

Property Description

CON 2 PT LOT A RP 51R6107
PARTS 1 & 2

Location

1525 HIGHWAY 11

Issued To

MINDEN GROSS LLP
BARRISTER & SOLICITOR
145 KING STREET W
SUITE 2200
TORONTO ON M5H 4G2

Statement of Arrears

(Reference Section 352 of The Municipal Act R.S.O. 2001)

Table with 5 columns: Year, Levied, Outstanding, Penalty, Balance. Rows for 2020, 2021, 2022, and Tax Arrears Due.

Statement of Current Taxes

(Reference Section 352 of The Municipal Act R.S.O. 2001)

Table with 5 columns: Year, Legal Fees, Levied, Outstanding, Penalty, Balance. Row for 2023 and Balance Due.

Due Dates

Postdated Cheques

Table with 6 columns: Installment, Billing, Description, Billed Due Date, Postdate, Amount. Rows for 2023 interim and final billings.

I hereby certify that, subject to the following qualifications on the attached disclaimer, the above statement respectively shows:

- 1. All arrears of taxes due and owing against the above lands; and
2. The current amount of taxes on real property assessment; and whether any or all of the taxes have been paid as at September 15, 2023 in connection with the above lands, and that no part of said land has been sold for taxes under the Municipal Act 2001.

Errors and omissions excepted.

Handwritten signature of Kelly Morrow

Municipal Treasurer

This is Exhibit "I" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

.....
A Commissioner for Taking Affidavits
Carol Liu / LSO# 84938G



5255 Yonge Street, 4th Floor, Toronto, ON M2N 6P4 • 416-223-8838 • www.duca.com

September 11, 2023

2644833 Ontario Inc
1525 Highway 11 North
Shanty Bay, Ontario L0L 2L0

Attention: Aminullah Nawrozada

Dear Sir,

The purpose of this letter is to express concerns regarding the second mortgage charge in the amount of \$1.3 million registered on January 31st, 2022, without consent from DUCA which constitutes the breach of terms and conditions under the commitment letter and delay in reporting, which was due by May 31st, 2023, causing inability for DUCA to review financial performance of the borrower and timely test financial covenant.

As a result of these concerns, the risk profile of the Borrower has deteriorated, and DUCA will require specialized assistance to manage your account on a go-forward basis. Accordingly, please be advised that effective immediately, your accounts are being assigned to Mr. Ivan Bogdanovich in our Special Assets group.

Mr. Ivan Bogdanovich
Director, Special Assets
5255 Yonge Street
Toronto, ON M2N 6P4
E: ibogdanovich@duca.com
T: 416.590.2175 / M: 416.550.8157

As Mr. Bogdanovich will have responsibility for your account, all future inquiries should be directed to his attention.

Due to the higher risk and additional administration now required to manage your accounts, DUCA may be reviewing all rates and fees being charged to the Borrower, which may increase. In addition, DUCA may be retaining legal counsel and/or other professional advisors, and all costs incurred by DUCA in respect thereto will be charged to the accounts of the Borrowers from time to time.

Yours truly,

**DUCA FINANCIAL SERVICES
CREDIT UNION LTD.**

Per: 

William Truffen / VP Commercial and Business Banking

Cc: Ivan Bogdanovich
Director, Special Assets

This is Exhibit "J" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

CLiu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G

LAND
REGISTRY
OFFICE #51

58552-0076 (LT)

PREPARED FOR ANDREAH01
ON 2023/09/05 AT 10:21:40

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT A CON 2 EPR ORO PTS 1 & 2, 51R6107; ORO-MEDONTE

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

1525 Highway 11, Shanty Bay
PIN CREATION DATE:
2000/05/23

OWNERS' NAMES
2644833 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 2000/05/23 ON THIS PIN**</p> <p>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 2000/05/23**</p> <p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/05/19 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 2000/05/23 **</p>						
RO372254	1971/10/15	LEASE		*** COMPLETELY DELETED ***	LEEWENS, JASPER C.	
51R6107	1976/09/01	PLAN REFERENCE				C
RO1192597	1992/07/08	CHARGE		*** COMPLETELY DELETED ***	CALAUTTI, ROCCO CALAUTTI, MARIA	
RO1192598	1992/07/08	CHARGE		*** COMPLETELY DELETED ***	ROYAL BANK OF CANADA	
RO1348371	1997/06/13	NOTICE OF LEASE		*** COMPLETELY DELETED ***	SHELL CANADA PRODUCTS LIMITED	
RO1354976	1997/08/15	CHARGE		*** COMPLETELY DELETED ***		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #51

58552-0076 (LT)

PREPARED FOR ANDREAH01
ON 2023/09/05 AT 10:21:40

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
					THE TORONTO-DOMINION BANK	
		<i>REMARKS: DISCHARGED BY RO1418345, DELETED 2003/07/02 BY J. POTTER ADLR</i>				
RO1354977	1997/08/15	POSTPONEMENT		*** COMPLETELY DELETED ***		
		<i>REMARKS: RO1192597, RO1354976</i>				
RO1356188	1997/08/26	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
		<i>REMARKS: RO1192598</i>				
RO1415480	1999/07/08	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
		<i>REMARKS: RO1192597</i>				
RO1415481	1999/07/08	TRANSFER		*** COMPLETELY DELETED ***	1362692 ONTARIO LIMITED	
RO1415482	1999/07/08	CHARGE		*** COMPLETELY DELETED ***	972560 ONTARIO LTD.	
RO1415483	1999/07/08	ASSIGNMENT GENERAL		*** COMPLETELY DELETED ***		
		<i>REMARKS: LEASES & RENTS, RO1415482</i>				
SC98615	2003/03/07	NOTICE		*** COMPLETELY DELETED *** 1362692 ONTARIO LIMITED	972560 ONTARIO LTD.	
		<i>REMARKS: RO1415482</i>				
SC131391	2003/07/11	APL (GENERAL)		*** COMPLETELY DELETED *** 1362692 ONTARIO LIMITED		
		<i>REMARKS: DELETE RO1348371- EXPIRED 2002/04/30</i>				
SC131392	2003/07/11	CHARGE		*** COMPLETELY DELETED *** 1362692 ONTARIO LIMITED	INNISFIL CREDIT UNION LTD.	
SC131393	2003/07/11	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1362692 ONTARIO LIMTIED	INNISFIL CREDIT UNION LTD.	
		<i>REMARKS: SC131392 & RENTS</i>				
SC131394	2003/07/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** 972560 ONTARIO LTD.		
		<i>REMARKS: RE: RO1415482</i>				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #51

58552-0076 (LT)

PREPARED FOR ANDREAH01
ON 2023/09/05 AT 10:21:40

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC154358	2003/09/25	NOTICE OF LEASE		*** COMPLETELY DELETED *** 1362692 ONTARIO LIMITED	SHELL CANADA PRODUCTS LIMITED	
	<i>REMARKS: SC486774</i>					
SC429669	2006/04/24	APL (GENERAL)		*** COMPLETELY DELETED *** 1362692 ONTARIO LIMITED		
	<i>REMARKS: - DELETES LEASE RO372254</i>					
SC429858	2006/04/24	TRANSFER		*** COMPLETELY DELETED *** 1362692 ONTARIO LIMITED	AL-CHERAGH INTERNATIONAL CORPORATION	
SC429859	2006/04/24	CHARGE		*** COMPLETELY DELETED *** AL-CHERAGH INTERNATIONAL CORPORATION	PEOPLES CREDIT UNION LIMITED	
SC429864	2006/04/24	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** AL-CHERAGH INTERNATIONAL CORPORATION	PEOPLES CREDIT UNION	
SC429916	2006/04/24	CHARGE		*** COMPLETELY DELETED *** AL-CHERAGH INTERNATIONAL CORPORATION	1362692 ONTARIO LIMITED	
SC429917	2006/04/24	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** AL-CHERAGH INTERNATIONAL CORPORATION	1362692 ONTARIO LIMITED	
	<i>REMARKS: RE: SC429916</i>					
SC451391	2006/06/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** PEOPLES CREDIT UNION LIMITED		
	<i>REMARKS: RE: SC131392</i>					
SC524543	2007/03/01	NOTICE OF LEASE		*** COMPLETELY DELETED *** AL-CHERAGH INTERNATIONAL CORPORATION	SHELL CANADA PRODUCTS LIMITED	
SC534040	2007/04/12	CHARGE		*** COMPLETELY DELETED *** AL-CHERAGH INTERNATIONAL CORPORATION	ARSHAD, MUHAMMAD ARSHAD, TAHIRA	
SC711628	2009/01/12	DISCH OF CHARGE		*** COMPLETELY DELETED *** ARSHAD, MUHAMMAD ARSHAD, TAHIRA		
	<i>REMARKS: RE: SC534040</i>					
SC711630	2009/01/12	CHARGE		*** COMPLETELY DELETED *** AL-CHERAGH INTERNATIONAL CORPORATION	PEOPLES CREDIT UNION LIMITED	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #51

58552-0076 (LT)

PREPARED FOR ANDREAH01
ON 2023/09/05 AT 10:21:40

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC711632	2009/01/12	NO ASSGN RENT GEN <i>REMARKS: SC711630 - RENTS</i>		*** COMPLETELY DELETED *** AL-CHERAGH INTERNATIONAL CORPORATION	PEOPLES CREDIT UNION LIMITED	
SC711708	2009/01/13	DISCH OF CHARGE <i>REMARKS: RE: SC429916</i>		*** COMPLETELY DELETED *** 1362692 ONTARIO LIMITED		
SC899724	2011/05/05	CHARGE		*** COMPLETELY DELETED *** AL-CHERAGH INTERNATIONAL CORPORATION	BANK OF MONTREAL	
SC899725	2011/05/05	NO ASSGN RENT GEN <i>REMARKS: SC899724.</i>		*** COMPLETELY DELETED *** AL-CHERAGH INTERNATIONAL CORPORATION	BANK OF MONTREAL	
SC909031	2011/06/16	DISCH OF CHARGE <i>REMARKS: SC429859.</i>		*** COMPLETELY DELETED *** PEOPLES CREDIT UNION LIMITED		
SC922396	2011/08/10	DISCH OF CHARGE <i>REMARKS: SC711630.</i>		*** COMPLETELY DELETED *** PEOPLES CREDIT UNION LIMITED		
SC964949	2012/02/24	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** SOLOMON ENTERPRISES CORP.		
SC1180060	2014/12/04	NO SEC INTEREST		*** COMPLETELY DELETED *** SNAP COMMERCIAL FINANCE CORP.		
SC1184820	2014/12/24	CERT TAX ARREARS		*** COMPLETELY DELETED *** THE CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE		
SC1333123	2016/08/18	APL (GENERAL) <i>REMARKS: SC1184820</i>		*** COMPLETELY DELETED *** THE CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE		
SC1362455	2016/11/17	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
SC1401963	2017/04/18	APL DEL CONST LIEN		*** COMPLETELY DELETED *** SOLOMON ENTERPRISES CORP.		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
		<i>REMARKS: SC964949.</i>				
SC1439962	2017/08/11	DIR TITLES ORDER		*** COMPLETELY DELETED *** DIRECTOR OF TITLES		
SC1502966	2018/04/10	APL COURT ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	MSI SPERGEL INC.	
		<i>REMARKS: APPOINTING MSI SPERGEL INC., AS RECEIVER</i>				
SC1506328	2018/04/26	APL (GENERAL)		*** COMPLETELY DELETED *** MSI SPERGEL INC.		
		<i>REMARKS: DELETES SC154358</i>				
SC1506329	2018/04/26	APL (GENERAL)		*** COMPLETELY DELETED *** MSI SPERGEL INC.		
		<i>REMARKS: SC524543</i>				
SC1518031	2018/06/15	APL VESTING ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	2633720 ONTARIO INC.	
		<i>REMARKS: DELETED 2021.06.01 TWENDOVER</i>				
SC1518820	2018/06/20	CHARGE		*** COMPLETELY DELETED *** 2633720 ONTARIO INC.	2554977 ONTARIO INC.	
SC1533108	2018/08/16	LR'S ORDER		*** COMPLETELY DELETED *** LAND REGISTRAR, SIMCOE LAND REGISTRY OFFICE		
		<i>REMARKS: DELETE SC1502966</i>				
SC1563088	2018/12/12	TRANSFER	\$4,650,000	2633720 ONTARIO INC.	2644833 ONTARIO INC.	C
		<i>REMARKS: PLANNING ACT STATEMENTS.</i>				
SC1563089	2018/12/12	CHARGE		*** COMPLETELY DELETED *** 2644833 ONTARIO INC.	ROYAL BANK OF CANADA	
SC1563090	2018/12/12	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2644833 ONTARIO INC.	ROYAL BANK OF CANADA	
		<i>REMARKS: SC1563089.</i>				
SC1563155	2018/12/12	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2554977 ONTARIO INC.		
		<i>REMARKS: SC1518820.</i>				
SC1581955	2019/03/19	CHARGE		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
SC1581956	2019/03/19	NO ASSGN RENT GEN		2644833 ONTARIO INC. *** COMPLETELY DELETED *** 2644833 ONTARIO INC.	PAHAL, RAJINDER SINGH PAHAL, RAJINDER SINGH	
	REMARKS: SC1581955.					
SC1629792	2019/10/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** PAHAL, RAJINDER SINGH		
	REMARKS: SC1581955.					
SC1629795	2019/10/07	CHARGE		*** COMPLETELY DELETED *** 2644833 ONTARIO INC.	SANDHU, GURPREET SANDHU, VIRDEEP	
SC1629796	2019/10/07	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2644833 ONTARIO INC.	SANDHU, GURPREET SANDHU, VIRDEEP	
	REMARKS: SC1629795.					
SC1759527	2021/03/02	DISCH OF CHARGE		*** COMPLETELY DELETED *** SANDHU, GURPREET SANDHU, VIRDEEP		
	REMARKS: SC1629795.					
SC1770188	2021/04/09	CHARGE	\$2,250,000	2644833 ONTARIO INC.	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	C
SC1770189	2021/04/09	NO ASSGN RENT GEN		2644833 ONTARIO INC.	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	C
	REMARKS: SC1770188.					
SC1771969	2021/04/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
	REMARKS: SC1563089.					
SC1789250	2021/06/03	CHARGE		*** COMPLETELY DELETED *** 2644833 ONTARIO INC.	KUMAR, RAJEEV	
SC1789513	2021/06/04	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2644833 ONTARIO INC.	KUMAR, RAJEEV	
	REMARKS: SC1789250					
SC1816382	2021/08/19	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** KUMAR, RAJEEV	BAINS, RANJIT KAUR 2595472 ONTARIO INC.	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		<i>REMARKS: SC1789250.</i>			KUMAR, RAJEEV	
SC1831705	2021/10/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** BAINS, RANJIT KAUR 2595472 ONTARIO INC. KUMAR, RAJEEV		
		<i>REMARKS: SC1789250.</i>				
SC1865825	2022/01/31	CHARGE	\$1,300,000	2644833 ONTARIO INC.	MIJAR LIMITED	C
SC1865826	2022/01/31	NO ASSGN RENT GEN		2644833 ONTARIO INC.	MIJAR LIMITED	C
SC1962289	2023/02/09	NOTICE		2644833 ONTARIO INC.	MIJAR LIMITED	C
SC1964252	2023/02/23	NOTICE	\$1	GLOBAL FUELS INC.		C

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 5

Properties

PIN 58552 - 0076 LT Interest/Estate Fee Simple
 Description PT LT A CON 2 EPR ORO PTS 1 & 2, 51R6107; ORO-MEDONTE
 Address 1525 HIGHWAY 11
 SHANTY BAY

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 2644833 ONTARIO INC.
 Address for Service 1101 Field Drive
 Milton, Ontario

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name MIJAR LIMITED
 Address for Service c/o 121 George Street North
 P.O Box 1387
 Peterborough, ON
 K9J 7H6

Statements

Schedule: See Schedules

Provisions

Principal	\$1,300,000.00	Currency	CDN
Calculation Period	Monthly, Not In Advance		
Balance Due Date	January 25, 2023		
Interest Rate	8.0% Per Annum		
Payments	\$8,666.67		
Interest Adjustment Date	2022 01 25		
Payment Date	25th day of each month		
First Payment Date	2022 08 25		
Last Payment Date	2023 01 25		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor	See Covenantor		

Additional Provisions

Covenantor: Aminullah Nawrozada

The within Charge/Mortgage is given as a collateral mortgage ONLY and NOT in addition to the main first Charge/Mortgage to be registered in favour of Mijar Limited for \$1,300,000.00 against 4653 Iron Bridge Lane, Washago on or about January 28, 2022. A discharge of the main first Charge/Mortgage to be registered in favour of Mijar Limited for \$1,300,000.00 against 4653 Iron Bridge Lane, Washago on or about January 28, 2022 shall entitle the within Chargor/Mortgagor to a full and complete discharge of the within Charge/Mortgage.

Signed By

Christa Lynn Donoghue 121 George St. N. PO Box 1387 acting for Signed 2022 01 31
 Peterborough Chargor(s)
 K9J 7H6

Tel 705-743-1801

Fax 705-743-0397

I have the authority to sign and register the document on behalf of the Chargor(s).

The applicant(s) hereby applies to the Land Registrar.

Submitted By

JOEL S. MOLDAVER PROFESSIONAL CORPORATION

121 George St. N. PO Box 1387
Peterborough
K9J 7H6

2022 01 31

Tel 705-743-1801

Fax 705-743-0397

Fees/Taxes/Payment

Statutory Registration Fee \$66.30

Total Paid \$66.30

PROVIDED that the Chargor/Mortgagor, when not in default hereunder, shall have the privilege of prepaying the whole or any part or parts of the principal sum secured hereunder, at any time or times, upon payment to the Mortgagee of one month's interest as a bonus.

PROVIDED that should the Chargor/Mortgagor(s) herein sell or otherwise transfer the within described premises, the whole of the principal amount secured together with accrued interest shall immediately become due and payable at the option of the Chargee/Mortgagee.

The Chargor/Mortgagor and Chargee/Mortgagee have agreed interest for the period commencing January 25, 2022 to and including July 25, 2022 in the amount of FIFTY-TWO THOUSAND DOLLARS (\$52,000.00) shall be deducted from the mortgage proceeds and paid to the mortgagee for interest to accrue over the said period and shall be deemed earned.

PROVIDED that the Chargor/Mortgagor shall provide to the Chargee/Mortgagee post-dated cheques for all payments due for the balance of the term under the within mortgage prior to funding.

FEES AND CHARGES

The Chargors)/Mortgagor agree that, the following administrative fees and charges (which fees and charges are current at the date of this Charge/Mortgage of Land and as may be amended from time to time), which charges are in addition to any legal fees and expenses, shall become due and payable forthwith, in the event of any of the following occurrences, and that all amounts as aforesaid shall be added to the Principal Amount secured by the Charge/Mortgage of Land, and shall be payable forthwith with interest at the rate provided for in the Charge/Mortgage of Land, and on default all sums secured by the Charge/Mortgage of Land shall immediately become due and payable, at the option of the Chargee/Mortgagee, and all powers in the Charge/Mortgage of Land conferred shall become exercisable:

Returned Cheque, missed payment and late instalment:	\$ 500.00
Returned Cheque, missed payment and late instalment collection fee for Chargee(s)' solicitor:	\$ 500.00
Default proceedings payable for each action or proceeding instituted with the minimum administrative fee for any legal process or Notice of Sale collection process commenced:	\$ 850.00
Possession: for attending to take possession following default:	\$ 500.00
Maintenance: for administering maintenance and security of the property in our possession - per diem:	\$ 75.00
Purchaser approval: for processing each application for assumption, whether or not approved or completed:	\$ 300.00
Mortgage Statement - for each statement:	\$ 200.00
Renewal Fee (if agreed between the parties)	\$2,500.00
Discharge Fee: (as Charged by Chargee's solicitor) minimum:	\$1,000.00

The Chargor/Mortgagor covenants and agrees to provide to the Chargee/Mortgagee, fire insurance coverage in an amount equal to the greater of the full insurable value or the principal sum of this mortgage, together with any prior encumbrances at the Chargor/Mortgagor's expense with loss payable to the respective Mortgagee as to their priority.

A penalty of \$350.00 per occurrence shall apply for each item the Chargee/Mortgagee has to deal with fire insurance cancellation notices for any reason other than the Chargor/Mortgagor has replaced same with alternative insurance coverage, plus \$100.00 per day for each day the Chargor/Mortgagor fails to have paid up fire insurance coverage in place on the premises at his/her/their own expense together with all legal charges in connection with the Chargee/Mortgagee's solicitor acting on behalf of the Chargee/Mortgagee to confirm fire insurance coverage is in full force and effect.

In the event the full amount of the mortgage including principal and interest is not paid out in full to the Chargee/Mortgagee on the maturity date or within fifteen (15) days of the maturity date, the Chargor/Mortgagor acknowledges and agrees that all of the provisions of the matured mortgage shall survive the maturity date and in the event there is an oral or written interim extension agreement between the Chargor/Mortgagor and Chargee/Mortgagee pending refinancing or sale of the mortgaged property, then all of the fees chargeable

AW



for late or nsf payments shall continue to apply as well as any other charges set forth in the original mortgage until paid in full.

PROVIDED FURTHER that the Chargor/Mortgagor(s) represents and warrants that he/she/it is not a "Farmer" as defined in the Farm Debt Mediation Act and the Mortgagor(s) further covenant and agree that during the currency of the within Charge/Mortgage, he/she/it will not engage in an activity which would have the effect of deeming him/she/it a Farmer within the meaning of the Farm Debt Mediation Act. In the event the Mortgagor(s) fails to comply with the within provision, the within Charge/Mortgage shall at the Chargee/Mortgagee's option, immediately become due and payable in full together with three months interest thereon.

AW



COVENANTOR:

IN CONSIDERATION of the premises and of the Mortgagee advancing the said money to the Mortgagor, the Covenantor, Aminullah Nawrozada, doth hereby absolutely and unconditionally guarantee to the Mortgagee and its successors and assigns, the due and punctual payment by the Mortgagor of all principal moneys, interest and other moneys owing on the security of this mortgage, and the Covenantors for themselves, their heirs, executors and administrators, covenants with the Mortgagee that if the Mortgagor shall at any time make default in the punctual payment of any moneys payable hereunder, they or they will pay all such moneys to the Mortgagee without any demand being required to be made.

AND it is hereby expressly declared that although as between the Covenantors and the Mortgagor, the Covenantors are only, security for the payment by the Mortgagor of the moneys hereby guaranteed, yet as between the Covenantor and the Mortgagee, the Covenantors shall be considered as primarily liable therefore and that no release or releases of any portion or portions of the mortgaged premises, and no indulgence shown by the Mortgagee in respect of any default by the Mortgagor or any successor which may arise under this mortgage and that no extension or extensions granted by the Mortgagee to the Mortgagor or any successor for payment of the mortgage monies hereby secured or for the doing, observing or performing of any covenant, agreement, matter or thing herein contained, to be done, observed, performed by the Mortgagor or any successor nor any variation in or departure from the provisions of this mortgage nor any other dealings between the Mortgagor or any successor and the Mortgagee nor any release of the Mortgagor or any other thing whatsoever whereby the Covenantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Mortgagee or affect the liability of the Covenantor in any way under this covenant, which shall continue and be binding on the Covenantor and as well after as before default and after as before maturity of this mortgage, until the said mortgage moneys are fully paid and satisfied. And it is hereby further expressly declared that the Mortgagee shall not be bound to exhaust its recourse against the Mortgagor or the mortgaged premises before being entitled to the payment from the Covenantor of the amount hereby guaranteed by the Covenantor.

AND payment by the Covenantor of any moneys under his said guarantee shall not in any event be taken to affect the liability of the Mortgagor for payment thereof but such liability shall remain unimpaired and enforceable by the Covenantor against the Mortgagor and the Covenantor shall, to the extent of any such payments made by him, in addition to all other remedies be subrogated as against the Mortgagor to all rights, privileges and powers to which the Mortgagee was entitled prior to payment by such Covenantor provided, nevertheless that the Covenantor shall not be entitled in any event to rank for payment against the mortgaged premises in competition with the Mortgagee and shall not unless and until the whole of the principal, interest and other moneys owing on the security of this mortgage shall have been paid, be entitled to any right or remedies whatsoever in subrogation to the Mortgagee.

AND it is further hereby expressly declared that the release of any of the Covenantor for his or their liability hereunder shall not affect the liability of the remaining Covenantor which shall remain, unimpaired and still in full force and effect as if the Covenantor so released had not been a party to this Agreement.

ALL covenants, liabilities and obligations entered into or imposed hereunder upon the Covenantor shall be equally binding upon his, or their heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and all such covenants and liabilities and obligations shall be joint and several.

Witness:

Muhammad S. Khan

Print Name:


Aminullah Nawrozada – Covenantor

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 5

Properties

PIN 58552 - 0076 LT
Description PT LT A CON 2 EPR ORO PTS 1 & 2, 51R6107; ORO-MEDONTE
Address 1525 HIGHWAY 11
 SHANTY BAY

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name 2644833 ONTARIO INC.
Address for Service 1101 Field Drive
 Milton, Ontario

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

This document is not authorized under Power of Attorney by this party.

Party To(s)*Capacity**Share*

Name MIJAR LIMITED
Address for Service c/o 121 George Street North
 P.O Box 1387
 Peterborough, Ontario
 K9J 7H6

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, SC1865825 registered on 2022/01/31 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Christa Lynn Donoghue 121 George St. N. PO Box 1387 acting for Signed 2022 01 31
 Peterborough Applicant(s)
 K9J 7H6

Tel 705-743-1801

Fax 705-743-0397

I have the authority to sign and register the document on behalf of all parties to the document.

Christa Lynn Donoghue 121 George St. N. PO Box 1387 acting for Signed 2022 01 31
 Peterborough Party To(s)
 K9J 7H6

Tel 705-743-1801

Fax 705-743-0397

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

JOEL S. MOLDAVER PROFESSIONAL 121 George St. N. PO Box 1387 2022 01 31
 CORPORATION Peterborough
 K9J 7H6

Tel 705-743-1801

Fax 705-743-0397

Fees/Taxes/Payment

Statutory Registration Fee \$66.30

Total Paid \$66.30

GENERAL ASSIGNMENT OF RENTS

THIS AGREEMENT made this 27th day of January, 2022.

BETWEEN:

2644833 Ontario Inc.

hereinafter called the Assignor

OF THE FIRST PART

-and-

MIJAR LIMITED

hereinafter called the Chargee

OF THE SECOND PART

Now therefore it is hereby covenanted, agreed and declared as follows:

1. In this agreement, unless there is something in the subject matter or context inconsistent therewith,
 - a. "Charge" means a charge of the Lands from the Assignor to the Chargee securing the principal sum of \$1,300,000.00 plus interest thereon, and any other monies which may become owing to the Lender under the Charge;
 - b. "Lands" means the lands and premises described as PT LT A CON 2 EPR ORO PTS 1 & 2, 51R6107; ORO-MEDONTE (PIN 58552-0076 LT) municipally kown as 1525 Highway 11 North, Shanty Bay, Ontario. The lands and premises is further described in the "Properties" section of the document to which this Schedule is attached;
 - c. "Leases" includes:
 - i. every existing and future lease and agreement to lease in respect of the whole or any portion of the Lands;
 - ii. every existing and future tenancy, agreement as to use or occupation and licence in respect of the whole or any portion of the Lands, whether or not pursuant to any written lease, agreement or licence;

- iii. every existing and future guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Lands; and
 - iv. every existing and future assignment of, and agreement to assume, the obligations of tenants of the whole or any portion of the Lands;
- d. "Rents" means all revenues, receipts, income, credits, deposits, rents, additional rents, tenant recoveries and other receivables of any nature and kind whatsoever arising from, payable under or related to the Leases, whether past due, now due or hereafter to become due and the benefit of all covenants of tenants, users, occupiers, licensees and guarantors under or in respect of the Leases.
2. The Chargee has registered a collateral second Charge (the "Charge") against the Lands. The Assignor is the owner of the Property subject to the Charge and has agreed to enter into this agreement with the Chargee as collateral security for the due payment of the Charge;
3. The Assignor hereby assigns to the Chargee, its successor and assign (as security for the principal, interest, and other amounts secured by the Charge and until the monies due under and by virtue of the Charge have been fully paid and satisfied), (i) the Leases and all benefits and advantages to be derived therefrom with full power and authority to use the name of the Assignor or the owner from time to time of the Lands or the name of the Chargee, as the Chargee may elect in its sole discretion, for enforcing the covenants and agreements on the parts of the tenants contained therein, and (ii) the Rents, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment thereof in the name of the Assignor or the owner from time to time of the Lands or in the name of the Chargee, as the Chargee may elect in its sole discretion.
4. The Assignor hereby represents, warrants, covenants and agrees that:
- a. complete and true copies of all of the presently existing non-residential Leases have been delivered to the Chargee;
 - b. the Assignor will not without the prior written consent of the Chargee perform, or omit to perform, any act having the effect of terminating, cancelling or accepting surrender of any of the non-residential Leases or of waiving, releasing, reducing or abating any rights or remedies of the Assignor or any obligations of any other party thereunder or in connection therewith;
 - c. none of the non-residential Leases or the Assignor's rights thereunder, including the right to receive the Rents, will be altered, varied or amended;
 - d. none of the Rents has been or will be paid more than one month in advance (except, if so provided in the lease or agreement, for payment of rent for the last

- month of the term) nor have they been discounted, released, waived, compromised or otherwise discharged;
- e. there has been no default of a material nature which has not been remedied under any of the Leases by any of the parties thereto;
 - f. there is no outstanding dispute under any of the Leases by any party thereto; and
 - g. the Assignor will observe and perform all of the Assignor's obligations under each of the Leases.
5. Subject to the provisions of paragraph 3(d) above, the Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of each of the Leases unless and until the Chargee shall give notice to the tenant, user, occupier, licensee or guarantor there under requiring payment to the Chargee.
 6. Nothing contained herein or in any statute shall have the effect of making the Chargee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of the covenants, obligations or conditions under or in respect of the Leases or any of them to be observed or performed by the Assignor, and the Chargee shall not, by virtue of this agreement or its receipt of the Rents or any of them, become or be deemed a chargee in possession of the Lands or the charged premises and the Chargee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them; and the Chargee shall be liable to account only for such monies as shall actually come into its hands, less all costs and expenses and other proper deductions.
 7. The Assignor hereby agrees to execute such further assurances as may be reasonably required by the Chargee from time to time to perfect this agreement and assignment. The Assignor will from time to time at the reasonable request of the Chargee furnish to the Chargee a copy of the current rent roll of the building on the Lands showing the basic terms of all Leases and, if requested by the Chargee, give the Chargee a specific assignment of the Rents thereunder in form satisfactory to the Chargee.
 8. The Assignor further agrees that the Assignor will not lease or agree to lease any part of the Lands except at a rent, on terms and conditions, and to tenants, which are not less favourable or desirable than those which a prudent landlord would expect in respect of the premises to be leased.
 9. The Assignor hereby agrees to indemnify at all times and from time to time and save the Chargee harmless from any and all demands, claims, damages, actions, proceedings, lawsuits, costs, expenses, or payments incurred which the Chargee may sustain or incur by reason of the Assignor's failure to charge legal rents or by reason of successful rebate claims by any tenant under any lease in the building on the Lands or by any former tenant

of the building and agrees that all rents charged with respect to the Lands or any part thereof will be lawful rents pursuant to any applicable legislation from time to time respecting residential housing and further agrees that it will file all items required to be filed by such legislation in a timely, accurate and complete way.

10. It is understood and agreed that this agreement and assignment is being taken as collateral security only for the due payment of any sum due under the Charge; and that none of the rights or remedies of the Chargee under the Charge shall be delayed or in any way prejudiced by these presents; and that following registration of a discharge of the Charge this agreement and assignment shall be of no further force or effect, and such discharge shall act as a release and reassignment of the assignments herein.
11. In this agreement words denoting the singular include the plural where appropriate and vice-versa and words denoting any gender include all genders.
12. This agreement and everything herein contained shall extend to, bind and enure to the benefit of the respective heirs, executors, administrators, successors and assigns of each of the parties hereto.

WITNESSES:

2644833 ONTARIO INC.

Per. 

Name: Aminullah Nawrozada

Title: President

I have authority to bind the corporation.

Properties

PIN 58552 - 0076 LT
Description PT LT A CON 2 EPR ORO PTS 1 & 2, 51R6107; ORO-MEDONTE
Address 1525 HIGHWAY 11
 SHANTY BAY

Consideration

Consideration \$0.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name 2644833 ONTARIO INC.
Address for Service 1101 Field Drive
 Milton, ON
 L9T 6G6

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

This document is not authorized under Power of Attorney by this party.

Party To(s)*Capacity**Share*

Name MIJAR LIMITED
Address for Service c/o 121 George Street North
 P.O Box 1387
 Peterborough, ON
 K9J 7H6

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

This document is not authorized under Power of Attorney by this party.

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, SC1865825 registered on 2022/01/31 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Christa Lynn Donoghue 121 George St. N. PO Box 1387 acting for Signed 2023 01 26
 Peterborough Applicant(s)
 K9J 7H6

Tel 705-743-1801

Fax 705-743-0397

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

JOEL S. MOLDAVER PROFESSIONAL 121 George St. N. PO Box 1387 2023 02 09
 CORPORATION Peterborough
 K9J 7H6

Tel 705-743-1801

Fax 705-743-0397

Fees/Taxes/Payment

Statutory Registration Fee \$69.00

Total Paid \$69.00

File Number

Applicant Client File Number : 711-21

Party To Client File Number : 711-21

NOTICE UNDER SECTION 71 OF THE LAND TITLES ACT - AGREEMENT
AMENDING CHARGE/MORTGAGE

WHEREAS:

1. By a Charge/Mortgage of Land registered in Land Registry Office No. 51 on the 31st day of January, 2022 as Instrument No. SC1865825

2644833 ONTARIO INC.

as Chargor/Mortgagor

gave a Charge/Mortgage upon the lands described herein in favour of

MIJAR LIMITED

as Chargee/Mortgagee

to secure the payment of the principal sum of ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000.00) with interest as therein set out upon the terms therein mentioned.

2 The principal sum of ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000.00) still remains due and owing to the Chargee/Mortgagee.

3. The aforesaid principal sum of ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000.00) becomes due and payable January 25, 2023.

4. The party hereto signing as Chargor/Mortgagor herein has applied for an extension of time for payment of the said sum upon the terms and conditions hereinafter set forth, and the party signing as Chargee/Mortgagee herein has agreed thereto.

The Chargee/Mortgagee, subject to the terms hereinafter set forth, grants and extends to the Chargor/Mortgagor time for payment of the said principal sum as follows:

Interest Adjustment Date:	January 25, 2023
First Payment Date:	February 25, 2023
Interest Rate:	8.0% per annum
Payment Due and Period:	25 th day of each month
Calculation Period:	Monthly, not in advance
Amount of Each Payment:	\$8,666.67
Maturity Date:	January 25, 2024

The Chargor/Mortgagor and Covenantor hereby covenant with the Chargee/Mortgagee to pay the said principal and interest at the rate and in the manner hereinbefore mentioned and well and truly to keep, observe, perform and fulfil all the covenants, provisos and agreements in the said Charge/Mortgage contained.

AND it is expressly declared and agreed that if any time during the extended term the Chargor/Mortgagor shall make default in payment of the principal and interest secured by the Charge/Mortgage, or any part thereof, or in the performance of any of the covenants contained in the Charge/Mortgage, the extension hereby given shall, if the Chargee/Mortgagee so elects become void and the said principal and every part thereof shall become due and payable and the Chargee/Mortgagee shall be at liberty to take any proceedings he may see fit for the purpose of enforcing payment of the said principal and interest or of the interest only, and performance of the said covenants in like manner as if this agreement had not been executed.

IN all other respects the parties hereto confirm the terms and conditions contained in the aforesaid Charge/Mortgage.

PROVIDED that nothing herein contained shall create any merger or alter the rights of the Chargee/Mortgagee as against any subsequent encumbrance or other person interested in the said lands, nor affect the liability of any person not a party hereto who may be liable to pay the said Charge/Mortgage money or the rights of any such person all of which rights are hereby reserved.

In construing this document, the words "Chargor/Mortgagor" and "Chargee/Mortgagee" and all personal pronouns shall be read as the number and gender of the party or parties referred to herein requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.

The provisions of this document shall enure to and be binding upon the executors, administrations, successors and assigns of each party and all covenants, liabilities and obligations shall be joint and several.

This is Exhibit "K" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

Clu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G

The applicant(s) hereby applies to the Land Registrar.

Properties

PIN 58552 - 0076 LT
Description PT LT A CON 2 EPR ORO PTS 1 & 2, 51R6107; ORO-MEDONTE
Address 1525 HIGHWAY 11
SHANTY BAY

Consideration

Consideration \$1.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name GLOBAL FUELS INC.
Address for Service 4903 Thomas Alton Blvd., Suite 211
Burlington, ON
L7M 0W8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Statements

This notice is pursuant to Section 71 of the Land Titles Act.
The land registrar is authorized to delete the notice on the consent of the following party(ies) Global Fuels Inc.
Schedule: See Schedules

Signed By

Tiffany Leigh Turner 1 James Street South 14th flr PO acting for Signed 2023 02 23
Box 926 Applicant(s)
Hamilton
L8N 3P9

Tel 905-523-1333
Fax 905-523-5878

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

SCARFONE HAWKINS LLP 1 James Street South 14th flr PO Box 2023 02 23
926
Hamilton
L8N 3P9

Tel 905-523-1333
Fax 905-523-5878

Fees/Taxes/Payment

Statutory Registration Fee \$69.00
Total Paid \$69.00

File Number

Applicant Client File Number : 21R0853

APPENDIX "A"

FORM

Land Titles Act
Application to register Notice of an
unregistered estate, right, interest or equity
Section 71 of the Act

To: The Land Registrar for the Land Titles Division of Simcoe (#51)

I, Marc Ronca, am the solicitor for Global Fuels Inc.

I confirm that the applicants have an unregistered estate, right, interest or equity in the land described as all of Parcel / PIN 58552-0076 (LT)

~~or~~

~~I confirm that the applicants are the registered owners or mortgagees, and I confirm that this document effects an interest in that land. (*)~~

The land is registered in the name of 2644833 Ontario Inc., and I hereby apply under Section 71 of the Land Titles Act for the entry of a Notice in the register for the said parcel.

I hereby authorize the Land Registrar to delete the entry of this Notice from the said parcel register without notice or application:

(a) on or after the date _____,

(b) after _____ years from the date of registration of this Notice,

(c) upon the deletion of the following registered document(s): _____

_____, or _____

(d) with the consent of the following party / parties:
Global Fuels Inc.

~~or~~

~~This notice will be effective for an indeterminate time.~~

The address for service of the applicants is:

4903 Thomas Alton Blvd., Suite 211, Burlington, ON L7M 0W8

Dated February 23, 2023

M Ronca
Signature of the solicitor for the applicants

(*) To be used if the applicant is the registered owner or mortgagee.

This is Exhibit "L" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

Chiu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G

From: [Tiffany Turner](#)
To: [Carol Liu](#)
Cc: [Ken Kallish](#); [Marc Ronca](#)
Subject: RE: 2644833 Ontario Inc. ("264") - Notice registered pursuant to Land Titles Act
Date: Wednesday, October 11, 2023 12:15:28 PM

[EXTERNAL]

Hello Carol,

The Notice registered as Instrument No. SC1964252, in favour of Global Fuels Inc. has not been discharged.

Best regards,

Tiffany Turner | Legal Assistant

Assistant to Jeffrey C. Teal (P.C.), LL.B, Partner, Business Law
 Assistant to Marc Ronca | Associate, Business Law
 Assistant to Tyler McLaughlin | Associate, Business Law



One James Street South, 14th Floor | Hamilton, Ontario L8P 4R5

☎: 905.523.1333 ext. 214 | 📠: 905.523.5878 | ✉: tturner@shlaw.ca

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WARNING: From time to time, our spam filters may eliminate legitimate emails from clients. If your email contains important instructions, please ensure that we acknowledge receipt of those instructions.

From: Carol Liu <CLiu@mindengross.com>
Sent: Wednesday, October 11, 2023 11:46 AM
To: Tiffany Turner <tturner@shlaw.ca>
Cc: Ken Kallish <KKallish@mindengross.com>; Marc Ronca <mronca@shlaw.ca>
Subject: RE: 2644833 Ontario Inc. ("264") - Notice registered pursuant to Land Titles Act

Hi Tiffany/Marc,

Could you kindly confirm for me that, to date, Global Fuels has not discharged the Notice registered pursuant to Land Titles Act? Thank you.

Carol Liu | Associate | T: 416.369.4287 | F: 416.864.9223 | www.mindengross.com
 MERITAS LAW FIRMS WORLDWIDE

From: Tiffany Turner <tturner@shlaw.ca>
Sent: Wednesday, September 27, 2023 10:28 AM
To: Carol Liu <CLiu@mindengross.com>
Cc: Ken Kallish <KKallish@mindengross.com>; Marc Ronca <mronca@shlaw.ca>
Subject: RE: 2644833 Ontario Inc. ("264") - Notice registered pursuant to Land Titles Act

[EXTERNAL]

Good morning Carol,

Please see answers below to your follow up questions. Thank you.

Best regards,

Tiffany Turner | Legal Assistant

Assistant to Jeffrey C. Teal (P.C.), LL.B, Partner, Business Law

Assistant to Marc Ronca | Associate, Business Law

Assistant to Tyler McLaughlin | Associate, Business Law



One James Street South, 14th Floor | Hamilton, Ontario L8P 4R5

☎: 905.523.1333 ext. 214 | 📠: 905.523.5878 | ✉: tturner@shlaw.ca

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From: Carol Liu <CLiu@mindengross.com>

Sent: Friday, September 22, 2023 12:20 PM

To: Tiffany Turner <tturner@shlaw.ca>; Marc Ronca <mronca@shlaw.ca>

Cc: Ken Kallish <KKallish@mindengross.com>

Subject: RE: 2644833 Ontario Inc. ("264") - Notice registered pursuant to Land Titles Act

Thanks Tiffany and Marc. We have some follow up questions:

1. When did Global Fuels stop supplying fuel to 264? **The customer stopped ordering product from Global Fuels in December 2022.**
2. Has the fuel supply contract between Global Fuels and 264 been terminated? **No**

Carol Liu | Associate | T: 416.369.4287 | F: 416.864.9223 | www.mindengross.com
MERITAS LAW FIRMS WORLDWIDE

From: Tiffany Turner <tturner@shlaw.ca>

Sent: Thursday, September 21, 2023 4:01 PM

To: Carol Liu <CLiu@mindengross.com>

Cc: Ken Kallish <KKallish@mindengross.com>; Marc Ronca <mronca@shlaw.ca>

Subject: RE: 2644833 Ontario Inc. ("264") - Notice registered pursuant to Land Titles Act

[EXTERNAL]

Good afternoon Carol,

Our client has confirmed that the amount outstanding is \$42,553.42.

Best regards,

Tiffany Turner | Legal Assistant

Assistant to Jeffrey C. Teal (P.C.), LL.B, Partner, Business Law

Assistant to Marc Ronca | Associate, Business Law
 Assistant to Tyler McLaughlin | Associate, Business Law



One James Street South, 14th Floor | Hamilton, Ontario L8P 4R5

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From: Carol Liu <CLiu@mindengross.com>
Sent: Thursday, September 21, 2023 3:26 PM
To: Tiffany Turner <tturner@shlaw.ca>
Cc: Ken Kallish <KKallish@mindengross.com>; Marc Ronca <mronca@shlaw.ca>
Subject: RE: 2644833 Ontario Inc. ("264") - Notice registered pursuant to Land Titles Act

Hi Tiffany,

Any updates from your client regarding the debt amount? Thank you

Carol Liu | Associate | T: 416.369.4287 | **F:** 416.864.9223 | www.mindengross.com
 MERITAS LAW FIRMS WORLDWIDE

From: Tiffany Turner <tturner@shlaw.ca>
Sent: Thursday, September 14, 2023 12:06 PM
To: Carol Liu <CLiu@mindengross.com>
Cc: Ken Kallish <KKallish@mindengross.com>; Marc Ronca <mronca@shlaw.ca>
Subject: RE: 2644833 Ontario Inc. ("264") - Notice registered pursuant to Land Titles Act

[EXTERNAL]

Hello Carol,

We have reached out to our client to advise on what amounts are outstanding and will get back to you, as soon as possible.

Thank you.

Best regards,

Tiffany Turner | Legal Assistant
 Assistant to Jeffrey C. Teal (P.C.), LL.B, Partner, Business Law
 Assistant to Marc Ronca | Associate, Business Law
 Assistant to Tyler McLaughlin | Associate, Business Law



One James Street South, 14th Floor | Hamilton, Ontario L8P 4R5

☎: 905.523.1333 ext. 214 | 📠: 905.523.5878 | ✉: tturner@shlaw.ca

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WARNING: From time to time, our spam filters may eliminate legitimate emails from clients. If your email contains important instructions, please ensure that we acknowledge receipt of those instructions.

From: Carol Liu <CLiu@mindengross.com>
Sent: Thursday, September 14, 2023 11:56 AM
To: Tiffany Turner <tturner@shlaw.ca>
Cc: Ken Kallish <KKallish@mindengross.com>
Subject: FW: 2644833 Ontario Inc. ("264") - Notice registered pursuant to Land Titles Act

Hi again Tiffany,

Further to my ask yesterday, could you also kindly advise on the realty tax status of 1525 Highway 11, Shanty Bay, Ontario (PIN 58552 – 0076 LT)?

Carol Liu | Associate | T: 416.369.4287 | F: 416.864.9223 | www.mindengross.com
MERITAS LAW FIRMS WORLDWIDE

From: Carol Liu
Sent: Wednesday, September 13, 2023 2:53 PM
To: tturner@shlaw.ca
Cc: Ken Kallish <KKallish@mindengross.com>
Subject: 2644833 Ontario Inc. ("264") - Notice registered pursuant to Land Titles Act

Good afternoon Tiffany,

Thank you for speaking with me on the phone today at 2:30pm. I am a lawyer with Minden Gross LLP and we act for DUCA Financial Services Credit Union Limited in the matter of 2644833 Ontario Inc. ("264")

As you confirmed with me, your firm registered the attached Notice on title of a property owned by 264. The property is municipally known as 1525 Highway 11, Shanty Bay, Ontario, and the Notice was registered because of an amount owing to your client Global Fuels Inc. by 264 under the attached Fuel Supply Contract. Could you please advise, what is the exact amount owing by 264 to Global Fuels Inc.?

You also advised me that the lawyer with carriage of this matter in your office is Marc Ronca, so you will confer with Marc and get back to me on the question.

We look forward to hearing from you. Thanks very much for your assistance.



CAROL LIU

Associate **T:** [416.369.4287](tel:416.369.4287) **F:** 416.864.9223 www.mindengross.com

145 King St. West, Suite 2200, Toronto, ON M5H 4G2

Save contact details: [Carol Liu](#)

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**MOTOR FUEL SUPPLY AGREEMENT
MOBIL-BRANDED MOTOR FUELS**

This Agreement is made this **October 1,2018** (the "Effective Date").

BETWEEN:

GLOBAL FUELS INC.
4903 Thomas Alton Blvd.
Suite 211,
Burlington, Ontario
L7M 0W8
(hereinafter called "Distributor")

- and -

2644833 Ontario Inc.
(hereinafter called "Dealer") having a
motor fuels "Marketing Premises" located at
1525 Hwy 11 N
Shanty Bay, Ontario
L0L 2L0

- and -

Amin Qu
(hereinafter called the "Guarantors")

WHEREAS Distributor is engaged in the sale and distribution of high quality petroleum products under the nationally and internationally known MOBIL trade mark;

AND WHEREAS the Dealer desires to carry on the business of the sale of petroleum products in accordance with this Agreement;

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration in part for the Distributor entering into this Agreement;

AND WHEREAS, based on its marketing strategies Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("Imperial Oil") has established the following core values ("Core Values"), namely

- To deliver quality products that customers can trust.
- To employ friendly, helpful people.
- To provide speedy, reliable and friendly service.
- To provide clean, attractive and well maintained retail facilities.
- To be a responsible, environmentally conscious neighbour.

NOW THEREFORE the Distributor and the Dealer agree as follows:

2. Grant

Distributor, under an MOBIL Branded Distributor Agreement with Imperial Oil, has the right to grant to Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the terms and conditions of this Agreement, Distributor grants Dealer the right to use the "MOBIL" mark and such other proprietary marks specified by Imperial Oil, from time to time, for use in connection with the sale of MOBIL-branded motor fuels ("Proprietary Marks") at the Marketing Premises. Dealer hereby accepts the use of the Proprietary Marks subject to the terms and conditions of this Agreement and agrees to conduct its business in a manner consistent with the commitments in the Core Values and agrees to comply with Imperial Oil business standards and policies, including, without limitation Imperial Oil's National Standards Handbook as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by Distributor from time to time. DEALER ACKNOWLEDGES THAT ITS RELATIONSHIP IS EXCLUSIVELY WITH DISTRIBUTOR. NOTHING IN THIS AGREEMENT MAY BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN DEALER AND IMPERIAL OIL.

3. Related Businesses

Distributor acknowledges that Dealer may wish to operate, during the term of this Agreement, additional businesses ("Related Businesses") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, Distributor's trademarks, Dealer's own trademarks or third party trademarks. Dealer acknowledges that the operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the MOBIL-branded motor fuels and Proprietary Marks. Accordingly, Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by Distributor to Dealer from time to time. If Dealer fails to comply with this Agreement or any such requirements, and without limiting Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, Distributor may require Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks, or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Effective Date, Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

4. Term

The term of this Agreement is for the period beginning on **October 1, 2018** and ending on **September 30, 2028** or **40,000,000** litres in fuel purchases; whichever is last. A further Five (5) year option starting October 1, 2028 and ending September 30, 2033 will apply, unless Distributor provides 90 days prior written notice; of their intention not to renew. If the said term exceeds the term of the MOBIL Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, then the term of this Agreement shall expire upon the expiry of the said MOBIL Branded Distributor Agreement. Should this agreement be terminated for any reason, the Dealer will reimburse the Distributor for the value of the unamortized value of the Development Consideration and the Loaned Equipment as provided for herein, at the end of the term of the Agreement.

5. Product Quantities

- a. Distributor shall sell and deliver and Dealer shall purchase, receive and pay for the Dealer's entire requirements of MOBIL-branded motor fuel for sale at the Marketing Premises in the quantities and at the prices and terms and conditions set out herein. The motor fuels purchased by Dealer from Distributor under this Agreement shall be for resale at the Marketing Premises only. The Dealer shall use good faith and diligent efforts to maximize the sale of MOBIL-branded motor fuels at the Marketing Premises. Dealer shall at all times have available for sale at the Marketing Premises such quantities of the MOBIL-branded motor fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.
- b. The minimum annual volume of MOBIL-branded motor fuel Dealer is obligated to purchase during any contract year ("contract year" meaning the consecutive twelve (12) months beginning on the Effective Date

and each subsequent consecutive twelve (12) month period) is **4,000,000 litres** (the “Minimum Annual Volume”). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.

- c. In each contract year, Dealer must purchase from Distributor a minimum of eighty percent (80%) of the Minimum Annual Volume for MOBIL-branded motor fuel. Should Dealer fail, in any contract year, to purchase the aforementioned 80% of the Minimum Annual Volume of MOBIL-branded motor fuel, Distributor may terminate or not renew this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s).

6. Dealer Payment

- a. As consideration in part for the Dealer accepting the use of the Proprietary marks as set out herein, Distributor shall pay to the Dealer a payment in the amount of **2.5** cents per litre (plus applicable taxes) multiplied by the number of litres of the MOBIL-branded motor fuels purchased by the Dealer from Distributor pursuant to this Agreement (the **Dealer Payment**). The Dealer Payment shall be calculated by Distributor based on the Distributors’ records and paid by Distributor to the Dealer monthly in arrears within twenty (20) days immediately following the end of each month during the term of this Agreement.
- b. Distributor shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days’ prior written notice to the Dealer and the Guarantors if the Dealer fails to purchase eighty (80) percent of the Minimum Annual Volume in any contract year.
- c. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

7. Right of First Refusal

(1) To Purchase/Lease/Sublease

- a. The Dealer hereby grants to the Distributor the right of first refusal to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of any bona fide written offer received by the Dealer during the term of this Agreement which the Dealer is willing to accept. The Dealer shall send such written offer to the Distributor in the manner provided herein for the giving of notices, and the Distributor shall have thirty (30) days from the receipt of such written offer in which to notify the Dealer that it elects to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of such offer. If the offer does not consist wholly of cash the Distributor shall have the right to meet the terms of such offer with a reasonable equivalent in cash. In the event the Distributor does not exercise its rights hereunder, the Dealer shall be free after the end of said period of thirty (30) days to sell, lease or sublease the Marketing Premises on the terms and conditions contained in the bona fide written offer but subject to the terms of this Agreement including this option. Furthermore, the Dealer may only sell, lease or sublease the Marketing Premises if the 3rd party purchaser of the Marketing Premises Assumes and agrees to all terms and conditions of this Motor Fuel Supply Agreement.
- b. In the event the Distributor exercises its rights to purchase, lease or sublease (as the case may be) the Marketing Premises, this Agreement, together with any other related agreements, shall terminate on the date of closing or completion of the transaction.
- c. The Dealer covenants and agrees that as a condition precedent to the Distributor allowing the Dealer to sell or lease or sublease the Marketing Premises and the business thereon to a third party, the Dealer will execute and

deliver to the solicitor acting on the Dealer's behalf in such transaction an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, such amounts of money that are still due and owing to the Distributor by the Dealer. In the event the proceeds of the sale paid to the Distributor are insufficient to extinguish the Dealer's indebtedness to the Distributor, the Dealer shall continue to be liable to the Distributor for any remaining indebtedness to the Distributor.

(2) To Supply

- a. The Dealer hereby grants to the the Distributor the irrevocable option to supply the Marketing Premises with motor fuels for a period to commence upon the expiration of this Agreement or any extension or renewal thereof provided the Distributor agrees to match the discounted rack rate of any bona fide offer the Dealer may receive from a competitor during the Term of the Agreement or any renewal thereof and for a period of six months following the end of the Term or any renewal thereof and which the Dealer is willing to accept. It being understood that the Distributor shall not be required to match any other terms of the competitor's offer other than the proposed discounted rack rate. A written notice of the offer as well as a true copy of the offer shall be sent by the Dealer to the Distributor and the Distributor shall have the right during the next thirty (30) days after receipt of such notice, by written notice to the Dealer, to elect to supply the Marketing Premises with motor fuels based upon the discounted rack rate, with all other terms and conditions continuing under the terms of this Agreement. If the Distributor does not exercise its first right of refusal, the Dealer shall be free to accept the offer but the Dealer recognizes the it will have, as liquidated damages, to reimburse the Distributor the costs associated to the removal of the equipment situated at the Marketing Premises and belonging to the Distributor.

8. Price and Terms of Sale

- a. The Dealer shall pay Distributor for the MOBIL-branded motor fuels purchased pursuant to this Agreement the price thereof in effect at the Distributors' designated loading rack at the time that the motor fuels are loaded for delivery to the Dealer, plus the cost of delivery, plus all applicable taxes. The motor fuel prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. The designated loading rack, delivery rate and applicable taxes in effect at the commencement of this Agreement are set out in Schedule "A" hereto. In the event of a shortage or unavailability of the motor fuels at the Distributors' designated loading rack for any particular delivery to the Dealer the Distributor shall use its best efforts to deliver motor fuels from an alternate loading rack in order to complete the delivery and the Dealer hereby agrees to pay for any increased costs required to complete such delivery.
- b. Measurement of the volume of each delivery of the motor fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the MOBIL-branded motor fuels, shall be paid by the Dealer upon or before delivery in immediately available funds as set out herein, unless Distributor, in its sole discretion and from time to time, grants credit terms to the Dealer. If Distributor grants credit terms to the Dealer, such credit terms may be amended by Distributor in its sole discretion upon written notice from time to time. If Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any MOBIL-branded motor fuel in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by Distributor from time to time. Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its sole discretion and without notice decline to make deliveries of motor fuels to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.

- d. The Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to Distributor by the Dealer pursuant to this Agreement:
 - (1) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by Distributor, in its sole discretion and from time to time;
 - (2) may be collected by Distributor by pre-authorized debit in the manner set out on Schedule "B" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to Distributor an authorization for pre-authorized debit substantially in the form of Schedule "B" in order to facilitate the collection of payments pursuant to this Section. Distributor may amend Schedule "B", in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

9. Delivery

- a. Delivery will be by tank truck into Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the motor fuel shall pass to the Dealer as the motor fuel is discharged from Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.
- b. Dealer shall ensure that the Distributors tank truck will have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- c. Dealer will notify Distributor of any required delivery of motor fuels in accordance with Distributors written ordering and delivery procedures. Dealer will only order deliveries in "full truck load" quantities as set out in Schedule "A". Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. Dealer will accept delivery of the MOBIL-branded motor fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.
- d. Upon the dispatch of a delivery vehicle by Distributor to deliver the MOBIL-branded motor fuels to the Marketing Premises, the Dealer agrees to either accept the delivery of a "full truck load" of the MOBIL-branded motor fuels (or less than a "full truck load" of the MOBIL-branded motor fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to Distributor all the reasonable costs incurred by Distributor in connection with any delay or aborted delivery.
- e. Distributor shall not be required to deliver to the Dealer the MOBIL-branded motor fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by Distributor in its sole discretion and from time to time. If the Dealer requests the delivery of and Distributor agrees to deliver the MOBIL-branded motor fuels in a quantity less than a "full truck load" or "deemed full truck load", then Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however,

the delivery by Distributor of MOBIL-branded motor fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require Distributor to deliver Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the sole discretion of Distributor from time to time.

10. Product Control

- a. Dealer shall exercise the highest degree of care in handling, storing, selling and using the MOBIL-branded motor fuel delivered to the Marketing Premises and shall provide the written acknowledgment as provided for in Schedule "K". Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any MOBIL-branded motor fuel (including without limitation, the blending of such motor fuels with ethanol). Dealer shall not sell from the Marketing Premises MOBIL-branded motor fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. Distributor may refuse to make deliveries into Dealer's storage tanks at the Marketing Premises until in Distributor's judgment, any deficiencies in the quality of motor fuels at the Marketing Premises are corrected.
- b. Access to Premises. Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of Dealer's storage tanks in which said motor fuels purchased hereunder are handled or stored. Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to Dealer's obligations under this Agreement.

11. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement, or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to Distributor or to Imperial Oil or any person affiliated with distributor under this Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request, or control of any governmental authority; or
- b. When the supply of motor fuel at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by Distributor is interrupted, unavailable or inadequate for any reason or cause which Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of motor fuels to be sold under this Agreement by allocating its available supply of motor fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its sole and absolute discretion determine and Distributor shall not be obliged to obtain or purchase other supplies of the motor fuels to make up any such shortage.

12. Proprietary Marks

- a. Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for Dealer's use and shall only use such marks to designate the origin of the MOBIL-branded motor fuels and otherwise in the manner authorized and instructed by Distributor from time to time. DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY DEALER UNDER SUCH PROPRIETARY MARKS. If, in the sole opinion of Distributor, any samples taken by Distributor or Imperial Oil under this Agreement are not MOBIL-branded motor fuels, or are not in the condition in which delivered by Distributor, or any documents and records reviewed by Distributor or Imperial Oil show Dealer

has failed to comply with its obligations hereunder, Distributor may, at its sole option, debrand the Marketing Premises in question or cancel and terminate this Agreement.

- b. By written notice to Dealer, Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in Distributor's sole judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from MOBIL-branded retail outlets; or (ii) Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If Distributor debrands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon termination of this Agreement, or prior thereto upon demand by Distributor, Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.
- d. Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. Dealer shall not sell non-MOBIL-branded motor fuels under any of the Proprietary Marks, including without limitation, any MOBIL-identified canopy or at any fueling island where Dealer is selling MOBIL-branded motor fuels.
- e. Dealer shall not use the Proprietary Marks as part of Dealer's corporate or other name.
- f. Dealer hereby consents to Distributor or Imperial Oil removing or painting over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the MOBIL trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement. The Dealer agrees to reimburse the Distributor for the cost of removing or painting over the Proprietary Marks.

13. Customer Service & Operating Standards

- a. Dealer shall ensure that its Marketing Premises meet the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits), failing which Dealer shall lose the right to use or display Proprietary Marks at any such Marketing Premises:
 - (1) Paved driveways with safe and good ingress and egress; and
 - (2) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and
 - (3) Clean premises free of debris, trash, and fire hazards; and
 - (4) Modern restrooms for men and women available to the general public; and
 - (5) Offer two(2) grades of MOBIL-branded motor fuels; and
 - (6) Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - (7) Compliance with applicable operating standards as described in Schedule "C", and facility standards as described in Schedule "I" ("Facility Requirements"), which are incorporated herein and made a part of this Agreement.

- b. While using any Proprietary Marks, Dealer agrees:
- (1) To render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct Dealer's business in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the MOBIL-branded motor fuels sold hereunder;
 - (2) To provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers;
 - (3) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies;
 - (4) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the MOBIL-branded motor fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to Dealer;
 - (5) To purchase, maintain, and display an adequate quantity of MOBIL-branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of Dealer's retail customers from time to time. Dealer acknowledges that the Distributor is not a distributor of Petroleum Products and agrees to purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area;
 - (6) To keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers; and
 - (7) To ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. Dealer agrees that Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by Distributor to cure, continues to be in violation of this Section.
- d. Dealer shall not permit at the Marketing Premises:
- (1) Any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits; or
 - (2) The sale or use of illegal drugs or drug paraphernalia; or
 - (3) The sale of any pornographic material or other material that Distributor determines may be offensive to the general public.
- e. Dealer shall not permit at the Marketing Premises the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. Dealer shall promptly advise Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
- f. The Dealer acknowledges receipt of and shall comply with the Imperial Oil Operating Standards Manual (the "Manual"), including without limitation the Operating Standards and the other standards, methods, procedures and specifications established by Imperial Oil from time to time applicable to the operation the Dealer's business. The provisions of the Manual, including without limitation the Operating Standards and

the other standards, methods, procedures and specifications applicable to carrying on the Dealer's business, are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to Distributor promptly upon request and, in any event, upon the expiration or earlier termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's priorwritten consent. The Dealer acknowledges that the entire contents of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. The Dealer shall maintain the absolute confidentiality of all such information during the term of this Agreement and after the expiration or earlier termination of this Agreement and shall not disclose any such information for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer's business in accordance with this Agreement. The Dealer further agrees not to use any such information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

14. No Exclusive Marketing Rights

This Agreement does not give Dealer an exclusive right in any market or geographic area to sell MOBIL-branded motor fuel or conduct any of the Related Businesses. Dealer acknowledges that Distributor and Imperial Oil may directly or indirectly compete with Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks ("Trademarks"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling MOBIL-branded motor fuels, other branded motor fuels or operating businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

15. Fuel Handling Equipment

Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a. The Dealer warrants and represents to Distributor that as of the Effective Date, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises are in good condition and repair and meet regulatory requirements.
- b. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and to meet regulatory requirements. The Dealer shall make all needed repairs and replacements promptly.
- c. The Dealer shall have in place on all underground motor fuels storage tanks the following equipment:
 - (1) Spill containment boxes; and

(2) Overfill prevention valves,

and such equipment shall, at all times, be in good operating condition and repair.

- d. Notwithstanding any other provision in this Agreement, if Distributor is required by law, or if in Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "hazard"), then Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. Distributor shall not be obliged to re-commence delivery of the Motor Fuels until Imperial is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- e. The Dealer agrees :
- (1) that if Distributor does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Dealer will pay Distributor for all costs and expenses incurred by Distributor for the doing of such act; and
 - (2) upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuel or other substance and so notify Distributor immediately if any such spillage is determined to have occurred and Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.
- f. Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential environmental hazards.

16. Loaned Equipment

- a. Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "Equipment") as and when it may be available for use on the Marketing Premises for the Dealer's business; and the Dealer hereby agrees to borrow such Equipment for its use upon the terms as provided for herein.
- b. Distributor shall have the right, in its sole discretion and from time to time, to replace, add to or substitute any one or combination of items of the Equipment.
- c. The Dealer shall:
 - (1) pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - (2) obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - (3) not alter, part with possession of, or encumber, lease, or sell the Equipment;
 - (4) complete day to day maintenance and repair, including replacement of parts, of the Equipment unless Distributor advises the Dealer in writing that Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;
 - (5) keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - (6) comply with all laws applicable to the Equipment;
 - (7) be responsible for all damage caused to the Equipment by the negligence or willful act of any person or persons other than Distributor, its employees, contractors and agents;

- (8) use the Equipment intended for storage, handling, advertising or displaying the MOBIL-branded motor fuels and the Petroleum Products, solely for such intended purpose.
 - (9) return to Distributor in good repair and operating condition, reasonable wear and tear excepted (i) all Equipment immediately upon the expiration or earlier termination of this Agreement and (ii) any Equipment replaced by Distributor for any reason immediately upon such replacement;
 - (10) for greater certainty, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (i) effect maintenance and repair of the Equipment and (ii) replace, add to or substitute any one or combination of items of the Equipment; and
 - (11) upon the expiration or earlier termination of this Agreement, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment. The Dealer agrees to reimburse the Distributor for the cost of removing the Equipment and debranding of the site. Additionally, the Dealer agrees to reimburse the Distributor for the unamortized value of the Equipment and the Development Fee.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor, and the Dealer agrees not to affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises without each person now or hereafter having an interest in the Marketing Premises first executing an acknowledgement and consent in the form of Schedule "E".
 - e. The Dealer acknowledges that it has examined the Equipment provided to the Dealer as of the Effective Date and is satisfied therewith and shall indemnify Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of Distributor's gross negligence or a defect in the Equipment, provided the Dealer shall have given Distributor prompt written notice of such gross negligence or defect.

17. Compliance with Laws

Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits including those concerning the environment, hazardous substances or wastes, toxic substances, and occupational safety and health.

18. Indemnity

The Dealer agrees to indemnify and save harmless Distributor, its shareholders, directors, officers, employees, agents and affiliates and their respective shareholders, directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer's business on the Marketing Premises;
- b. the storage, handling and sale of the motor fuels on and from the Marketing Premises; and
- c. the Equipment.

The foregoing indemnity shall not include a claim arising out of, in respect of or in connection with the gross negligence or willful misconduct of an indemnified party.

19. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - (1) a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and Distributor arising out of all the operations of the Dealer pertaining to the Dealer's business,

whether or not conducted on or from the Marketing Premises with all inclusive limits of at least Five Million Dollars (\$5,000,000) for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and

- (2) a third party liability policy on all vehicles used in the Dealer's business, with all inclusive limits of at least Two Million Dollars (\$2,000,000) for any one incident.
- b. The insurance policy referred to in subsection 19a.(2) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
 - c. Within ten (days) of the execution of this Agreement, the Dealer shall provide Distributor with a certificate of insurance and such other information as may reasonably be required by Distributor in a form satisfactory to Distributor as evidence of the insurance required under this Section and naming the Distributor as an additional named insured on such policies. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to Distributor thirty (30) days prior to the effective date of any such change or cancellation.
 - d. Distributor may amend this Section, in its sole discretion and from time to time, on the anniversary of the commencement date of this Agreement upon sixty (60) days' prior written notice to the Dealer.

20. Technology and Communications

If required by Distributor in writing from time to time, Dealer shall comply with the following:

- a. Install and maintain in good operating condition and at Dealer's expense at the Marketing Premises the equipment necessary allowing access to the internet or other electronic-transmission or data communications systems designated by Distributor from time to time including email communication.
- b. Subscribe, at Dealer's expense, at the Marketing Premises to a voicemail system for transmitting and receiving telephone communications.
- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

21. Retail Credit and Debit System

The Dealer acknowledges receipt of an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer's business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss, damage or upgrade prescribed by the Distributor, and the Dealer complies with all guidelines therefore.

The Dealer shall pay to Distributor the following fee(s), which shall be subject to change from time to time as the Distributor may determine, in its sole discretion, upon sixty (60) days' prior written notice to the Dealer:

Bulloch Communication and Transmission Fee : \$165.00 per month

Ingenico Pin Pad at \$0.00 per month

The Dealer shall implement and utilize the retail credit and debit system(s) designated by Distributor, in its sole discretion and from time to time, to be used by its dealers and the Dealer further shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s). Any replacement systems as may be prescribed by Imperial Oil, from time to time, shall be implemented upon written notice by the Distributor and all costs related to the same shall be the responsibility of the Dealer including but not limited any monthly fees related thereto.

22. Termination

- a. Where the end of the term of this Agreement set out in Section 4 is later than the end of the term of the MOBIL Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said MOBIL Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said MOBIL Branded Distributor Agreement, unless
 - (1) the said MOBIL Branded Distributor Agreement is extended, renewed or replaced; and
 - (2) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an MOBIL location.
- b. Distributor, in its sole discretion, shall have the right terminate this Agreement between Dealer and Distributor immediately and without notice and demand immediate payment of all monies due it as follows:
 - (1) In accordance with the applicable provisions of this Agreement; or
 - (2) Bankruptcy proceedings are instituted by or against Dealer; control of Dealer's business or assets pass by law or otherwise to any person or representative other than Dealer; or
 - (3) Dealer is in breach of a provision under this Agreement; or
 - (4) Dealer fails to timely pay obligations due Distributor under this Agreement; or
 - (5) Dealer is in default of any Third Party Credit Card Agreement entered into between the parties in connection with this Agreement, or in the event the Third Party terminates the Dealers use of the Third Party's credit card processing facilities for any reason whatsoever; or
 - (6) Any intended indemnity, guarantee, or suretyship in connection with this Agreement is revoked or curtailed; or
 - (7) If any motor fuel, other than the MOBIL-branded motor fuels are kept, sold or otherwise dealt with on or from the Marketing Premises; or
 - (8) If the Dealer fails to sell the MOBIL-branded motor fuels strictly in accordance with the grades and kinds designated in the Manual; or
 - (9) The Dealer sells any MOBIL-branded motor fuel: (i) in bulk, (ii) to any person for resale, or (iii) to any person not using a government approved container; or
 - (10) If the Dealer ceases to carry on the Dealer's business on or from the Marketing Premises; or
 - (11) If the Dealer or any of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or any of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar

powers shall be appointed for the Dealer or any of the Guarantors, or if the Dealer or any of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an “insolvent person” as that term is defined in the Act; or

- (12) If the Dealer or any of the Guarantors shall at any time have any of the goods and chattels of the Dealer’s business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer’s business; or
 - (13) If the Dealer fails to operate the Dealer’s business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control; or
 - (14) If the Dealer or any of the Guarantors is convicted of or pleads guilty to any criminal offense, whether or not related to the Dealer’s business; or
 - (15) If the Dealer fails to maintain adequate inventory of the Motor Fuels at the Marketing Premises to meet the needs of its retail customers; or
 - (16) The Dealer or any of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business; or
 - (17) If the Dealer (i) is a corporation and a principal shareholder of the Dealer dies or becomes incapacitated or (ii) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes incapacitated. For the purposes of this Agreement, “incapacitated” shall mean that such principal shareholder is unable to properly manage the business of the Dealer, as determined by the Distributor in its sole discretion; or
 - (18) If any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.
- c. Upon the expiration or earlier termination of this Agreement for any reason, the Dealer shall immediately:
- (1) cease all use of the Proprietary Marks;
 - (2) pay to Distributor or any person, firm or corporation affiliated or associated with Distributor, all amounts and charges as have or will thereafter become due hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with Distributor, and are then unpaid;
 - (3) return to Distributor all copies of the Manual then in the possession of the Dealer;
 - (4) notify the telephone company and all listing agencies of the expiration or earlier termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - (5) surrender the Equipment to Distributor; and reimburse the Distributor for the cost of removing the Equipment and debranding the site. Additionally, to reimburse the Distributor for the unamortized value of the Equipment and Development Consideration.
 - (6) at the request of Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish Imperial with evidence satisfactory to it of compliance with the Dealer’s obligation hereunder within thirty (30) days after the expiration or earlier termination of this Agreement.

Any termination of this Agreement pursuant to this Article shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to Distributor under this Agreement or otherwise shall be retained by Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

23. Claims

- a. Neither Distributor nor Imperial Oil is liable to Dealer for shortages in quantity or quality unless Dealer notifies Distributor within 48 hours after delivery (or discovery in the case of latent defect for quality deficiencies) in writing setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless Distributor and/or Imperial Oil are given a reasonable opportunity to inspect the Motor fuels concerning which any such claim is being made. Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by Dealer against Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless Dealer gives Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not Dealer provides timely notice of a claim, any claim by Dealer is barred unless asserted by the commencement of a lawsuit naming Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.
- b. Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of Dealer therefor for the purposes intended by Dealer, Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to Distributor. However, Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits. In the event that the manufacture of certain of the MOBIL-branded motor fuels sold hereunder is discontinued, Distributor shall notify Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

24. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement constitute the entire, full and complete agreement between Distributor and Dealer concerning the subject matter hereof, and supersede all prior agreements relating to that subject matter. Except for any permitted to be made unilaterally by Distributor under this Agreement, no amendment, change or variance from this Agreement is binding on either party unless agreed in writing by Distributor's and Dealer's authorized representative. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by Distributor to the Dealer.

25. Miscellaneous

This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns. This Agreement may not be assigned by the

Dealer without Distributor's written consent which may be unreasonably withheld. Where any assignment is consented to by the Distributor, the Dealer shall remain responsible for the obligations as a "dealer" under this Agreement and shall be required to pay the Distributor a transfer fee in the amount of Ten Thousand Dollars (\$10,000.00) payable upon the effective date of any such assignment/transfer. Distributor's right to require strict performance shall not be affected by any previous waiver or course of dealing. Neither this Agreement nor any modification or waiver shall be binding on Distributor unless in writing signed by an authorized representative. Past performance shall not be deemed a waiver of this requirement. The Dealer shall provide a certified copy of the resolution of the board of directors approving the execution of this Agreement and an officer's certificate as set out on Schedule "J".

26. Guarantee

In consideration of the Distributor entering into this Agreement and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Guarantors and the Dealer, the Guarantors hereby agree as follows:

- a. to unconditionally and irrevocably guarantee to Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the covenants, terms, provisions, stipulations and conditions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. to indemnify and save Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any term or condition of this Agreement;
- c. that this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any term or condition of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all covenants, terms, provisions, stipulations, agreements and conditions observed, performed and carried out;
- d. Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. no release or releases and no indulgence or extensions of time or waiver granted by Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between Distributor and the Dealer shall in any way modify, alter or prejudice Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. the covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. the guarantee and the liability of each of the Guarantors hereunder is not affected by the death or loss or diminution of capacity of any of the Guarantors; and
- h. for clarification, this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, it being understood that this guarantee will continue to bind the Guarantors even if one or each of the Guarantors, as the case may be, cease to be involved, directly or indirectly in the Dealer's business or with the Dealer;
- i. to execute a stand alone form of guarantee as set out on Schedule "M";

27. Notices

Any notice to be given hereunder:

- a. by Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; (ii) mailed by prepaid registered mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile, email or similar means of recorded electronic communication to the Dealer provided evidence of transmission is retained, and
- b. by the Dealer or the Guarantors to Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to Distributor at the following address, or (ii) sent by electronic facsimile, email or similar means of electronic communication to Distributor, provided evidence of transmission is retained, at the following number:

Global Fuels Inc.

4903 Thomas Alton Blvd.
 Suite 211,
 Burlington, Ontario
 L7M 0W8
 Attention: General Manager, Operations
 Facsimile No.: (289) 288-0443

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid registered mail, on the fifth Business Day following the deposit thereof in the mail or, if transmitted by electronic facsimile, email or similar means of electronic communication before 3:00 p.m. on a Business Day, on that Business Day and, if transmitted by electronic facsimile, email or similar means of electronic communications after 3:00 p.m. on a Business Day on the Business Day following the date of the transmission.

28. Quality Assurance

Dealer agrees to store, handle, sell and dispense the MOBIL-branded motor fuels purchased and sold hereunder in compliance with the procedures provided by Distributor from time to time.

29. Right of Entry

In addition to any other rights of Distributor under this Agreement, Dealer hereby permits Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine Dealer's compliance with this Agreement. Neither Distributor nor Imperial Oil is liable to Dealer for any interference with Dealer's business as a result of Distributor or Imperial Oil entering the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement.

30. Survival

All obligations of the parties hereto which expressly or by their nature survive the expiration, earlier termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.

31. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to Distributor or any person affiliated with Distributor.

32. Further Assurances

The parties agree to diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

33. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the province of or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

34. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

35. No Waiver

No waiver of any covenant, agreement or obligation in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other covenant, agreement or obligation in this Agreement, and no delay or omission on the part of any party to exercise any right acquired through the default of any other shall be construed as a waiver of or shall impair such right.

36. Compliance with Law; Workers Compensation; Environmental

- a. The Dealer shall fulfill all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer's business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.
- b. The Dealer shall: (i) comply fully, at the Dealer's sole expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer's business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations and shall provide written confirmation of compliance as provided for on Schedule "L".

37. No Special or Consequential Damages

Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

38. Independent Legal Advice

Each of the Dealer and the Guarantors acknowledges that it: (i) has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist it in its review, execution and delivery of this Agreement; and (ii) has of its own free will either declined to do so or obtained independent legal advice.

39. Guarantee

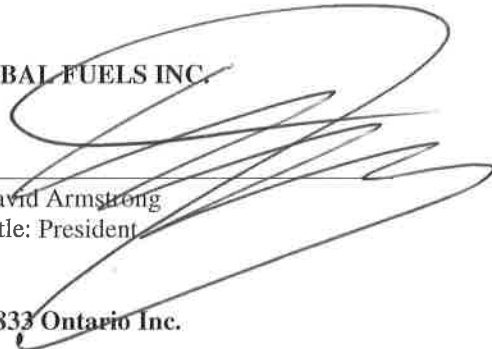
The Dealer will provide the Company with an Irrevocable Letter of Credit or Cash Deposit for no less than **\$50,000** to secure payment or performance of all obligations of the Dealer under this Agreement or any other agreement between the Dealer and Distributor. Should the Dealer provide an Irrevocable Letter of Credit, the Dealer shall deliver it in a form and from bank acceptable to the Distributor. The Irrevocable Letter of Credit or Cash Deposit will be maintained in full force for the entire Agreement plus an additional ninety (90) days from the expiry or early termination of this Agreement.

EXECUTED as of the date first herein specified.



Witness

GLOBAL FUELS INC.

By: 

David Armstrong
Title: President

2644833 Ontario Inc.



Witness


By: 

Amin Qu
Title: President

Guarantor(s)



Witness



Amin Qu

SCHEDULE "A"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT MOBIL-BRANDED MOTOR FUELS between **GLOBAL FUELS INC.**, and **2644833 Ontario Inc.** (The "Dealer"), and **Amin Qu'** (The "Guarantor(s)) dated the **October 1, 2018**.

1. PRODUCT GRADES AND QUANTITIES

The annual quantities of MOBIL-branded motor fuels by grade to be sold and purchased hereunder will be as follows :

<u>PRODUCT GRADE</u>	<u>ESTIMATED ANNUAL QUANTITY IN LITRES</u>
Premium Gasoline	400,000 litres
Regular Gasoline	3,200,000 litres
Low Sulphur Diesel Fuel	400,000 litres
 TOTAL ALL GRADES	 4,000,000 litres

2. PRODUCT PRICES

The Dealer's price of MOBIL-branded motor fuels based on loading from the **Finch Terminal** will be as follows; **"Posted MOBIL Finch Rack Price for Regular Unleaded Gasoline with Ethanol, Ultra Low Sulphur Diesel and Premium Unleaded Gasoline with Ethanol PLUS 0.75 cents per litre PLUS Fuel Delivery Cost of 1.3 cents per litre."**

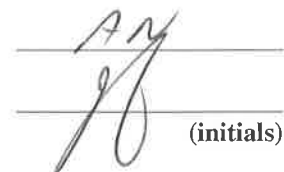
All prices will be subject to all applicable taxes including government excise taxes and HST.

3. DELIVERY LOCATIONS

The MOBIL-branded motor fuels sold and purchased hereunder will be delivered by the Distributor. The Distributor shall deliver and the Dealer shall take delivery of the motor fuels at the Marketing Premises subject to the minimum "full truck load" or "deemed full truck load" quantity and delivery costs set out below :

<u>MARKETING PREMISES</u>	<u>FULL or DEEMED FULL TRUCK LOAD</u>	<u>DELIVERY RATE/LITRE</u>	<u>DESIGNATED ESSO LOADING RACK</u>
1525 Hwy 11 N, Shanty Bay, Ontario L0L 2L0	58,000 Litres	\$0.013	Finch

The Distributor shall have the right to change the Delivery Rate per Litre should hauler delivery costs increase.


 (initials)

SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT MOBIL-BRANDED MOTOR FUELS between GLOBAL FUELS INC. and 2644833 Ontario Inc.. (The "Dealer"), and Amin Qu '(The "Guarantor(s)) dated **October 1,2018**.


PAYOR'S AUTHORIZATION FOR PRE-AUTHORIZED DEBITS

(Business Purposes)

1. The Payor hereby certifies the accuracy of the following information:

Name: 2644833 Ontario Inc.	(the " Payor ")
Address: 1525 Hwy 11 N	
Town: Shanty Bay	
Province: Ontario	
Postal Code: L0L 2L0	
Telephone Number: 0	
Account:	(the " Account ")
Name of Payor's	
Financial Institution	(the " Processing Institution ")

2. Attached to this Authorization is a specimen cheque of the Payor marked 'VOID'.
3. The Payor will notify Global Fuels Inc. (the "**Payee**"), in writing, of any change in the information provided in Sections 1 and 2 of this Authorization thirty (30) days prior to the effective date of any such change.
4. The Payor hereby authorizes the Payee to draw on the Account with the Processing Institution (each a pre-authorized debit or ("**PAD**") to facilitate the payment of any and all such monies owing by the Payor to the Payee, including without limitation any monies owing pursuant to the Motor Fuel Supply Agreement - MOBIL-branded Motor Fuels dated **October 1,2018** among the Payee, the Payor and others.
5. The Payor represents and warrants that all persons whose signatures are required to authorize withdrawals from the Account have signed this Authorization and that all persons signing this Authorization are the authorized signatories and are duly authorized to execute this Authorization.
6. This Authorization may be cancelled by the Payor at any time upon written notice to the Payee.
7. The Payor acknowledges that executing and delivering this Authorization to the Payee constitutes delivery by the Payor to the Processing Institution.
8. The Payor and the Payee each hereby waive any and all PAD pre-notification requirements otherwise required by Rule H1 of the Canadian Payments Association ACSS Rules Manual.
9. The Payor acknowledges that the Processing Institution is not required as a condition to honouring a PAD issued to verify that a PAD has been issued in accordance with the particulars of the Authorization, including without limitation the amount of the PAD and that the consideration for the payment for which the PAD was issued has been received by the Payee.



 (initials)

10. The revocation of this Authorization by the Payee does not terminate any contract for goods or services that exists between the Payee and the Payor. This Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.

11. The Payor may dispute a PAD only under the following conditions:

- (1) the PAD was not drawn in accordance with this Authorization; or
- (2) this Authorization was revoked.

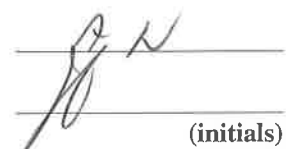
The Payor acknowledges that in order to be reimbursed, a declaration to the effect that one of foregoing circumstances occurred, must be completed and presented to the branch of the Processing Institution holding the Account up to and including 10 business days after the date on which the PAD in dispute was posted to the Account.

13. The Payee shall provide to the Payor notice and particulars of each PAD within 10 days following the date the Payee issues the PAD.

14. The Payor acknowledges that when disputing any PAD beyond the time allowed in this section it is a matter to be resolved solely between the Payor and the Payee, outside the payments system.

15. The Payor acknowledges that the information contained in the Authorization may be disclosed to the Payee's financial institution(s) as may be required or desirable to complete any PAD transaction.

16. The Payor understands and accepts the terms of participating in a PAD plan.



(initials)

SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT MOBIL-BRANDED MOTOR FUELS between GLOBAL FUELS INC., and 2644833 Ontario Inc.. (The "Dealer"), and Amin Qu '(The "Guarantor(s)) dated the **October 1,2018**.

OPERATING STANDARDS

The following operating standards for the Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:


- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
- Ensure that the Dealer's employees are aware of the critical equipment on the Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems.



 (initials)

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licences and Permits


- Have the necessary operating licences and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on Premises.



(initials)

Credit Card


- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

MOBIL Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the MOBILextra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the MOBILextra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an MOBILextra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an MOBILextra card.
- Record and process the sales transactions of retail customers with an MOBILextra card, using the MOBILextra card.
- Maintain an adequate supply of merchandise redeemable by holder of MOBILextra cards.
- Redeem valid MOBILextra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.



(initials)

SCHEDULE "D"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT MOBIL- BRANDED MOTOR FUELS between GLOBAL FUELS INC., and 2644833 Ontario Inc... (The "Dealer"), and Amin Qu '(The "Guarantor(s)) dated **October 1,2018**.

EQUIPMENT

The following is a list of the Loaned Equipment:

<u>Equipment</u>	<u>Quantity</u>
MID Sign	New MID Sign - 2D
Building Sign	0
Canopy Ceiling LED Lighting	0
Canopy Inserts/Flexface Sign	4
Cybera Router	1
Speedpass Pad	1
Imprinter	0
Bulloch POS Device	0
Ingenico Pin Pad	1
Exterior Merchandiser	2
Windshield Washer/Waste Unit	4
Spill Kit	1
Hurricane Sign	1
Waste Container	1
Backlight Canopy Sign Boxes	0
Type of Pumps	0
Number of Pumps	0
Synergy Equipment – Column Cladding	TBD
Synergy Equipment - Waves	TBD
Synergy Equipment – Blades	TBD
Synergy Equipment – Koalas	TBD
Synergy Equipment – Number Wedges	TBD
Synergy Equipment -Pump Toppers	TBD

Together with all additional, substitutional and replacement equipment and/or improvements to be loaned by the Distributor as maybe set out on Schedule "H" from time to time.

The cost of the Loaned Equipment will be amortized over a period of ten (10) years on a straight line basis commencing on the Effective Date.


(initials)

SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT MOBIL-BRANDED MOTOR FUELS between GLOBAL FUELS INC., and 2644833 Ontario Inc. (The "Dealer"), and Amin Qu -(The "Guarantor(s)) dated October 1,2018.

ACKNOWLEDGEMENT AND CONSENT OF DEALER, LANDLORD AND/OR MORTGAGEE

TO: GLOBAL FUELS INC.

RE: Dealer Sales Agreement made effective as of October 1,2018 (the "Agreement") among, GLOBAL FUELS INC.(the "Distributor"), 2644833 Ontario Inc.. (the "Dealer"),.

Each of the undersigned, being the Dealer, the landlord, the mortgagee or any one or more of the foregoing, of the Premises (as such term is defined in the Agreement) hereby acknowledges that:

- 1. Distributor will be entitled, in its sole discretion and from time to time, to remove from the Premises the equipment listed on the attached Exhibit I, together with all substitutions and additions (the "Equipment"), which (i) Imperial owns, (ii) will be or has been loaned by Distributor to the Dealer and (iii) will be or is located on the Premises; and
2. there does not now exist, shall not come into existence and shall never exist a security interest in the Equipment in favor of the undersigned, notwithstanding that the Equipment or any part or parts thereof may be attached to or may constitute part of the real property to which the undersigned has an interest.

IN WITNESS WHEREOF the Dealer has executed this Acknowledgment and Consent on the 3rd day of January, 2019 ..

Witness [Handwritten Signature]

By: [Signature]
Name: Amin Qu
Title: President
I have authority to bind the Corporation.

IN WITNESS WHEREOF the undersigned landlord of the Premises has executed this Acknowledgment and Consent on the 3rd day of January, 2019.

Witness [Handwritten Signature]

LANDLORD
By: [Signature]
Name: Amin Qu
Title: President
I have authority to bind the Corporation.

IN WITNESS WHEREOF the undersigned mortgagee of the Premises has executed this Acknowledgment and Consent on the _____ day of _____, 20_____.

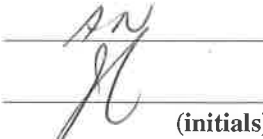
Witness

MORTGAGEE .
By:
Name:
Title:Director
I have authority to bind the Corporation.
[Signature]
(initials)

EXHIBIT I
to a Form of Acknowledgement and Consent of
Dealer, Landlord and/or Mortgagee

EQUIPMENT

All equipment set out on Schedule "D" to this Agreement shall be set out on this Acknowledgement and Consent.


(initials)

SCHEDULE "F"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT MOBIL-BRANDED MOTOR FUELS between GLOBAL FUELS INC and 2644833 Ontario Inc.(The Dealer) and Amin Qu '-(The "Guarantor(s)) dated **October 1,2018**.

PREMISES

The municipal address of the Premises is:
1525 Hwy 11 N
Shanty Bay, Ontario
L0L 2L0

AN

(initials)

[Attach Site Plan]

SCHEDULE "G"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - MOBIL-BRANDED MOTOR FUELS between GLOBAL FUELS INC and **2644833 Ontario Inc.** (The Dealer) and **Amin Qu** -(The "Guarantor(s)) dated **October 1,2018.**

CUSTOMER LOYALTY PROGRAM

Dealer shall participate in and be responsible for the costs of any customer loyalty program as may be prescribed by Imperial Oil from time to time.



(initials)

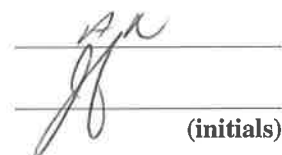
SCHEDULE "H"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT MOBIL-BRANDED MOTOR FUELS between GLOBAL FUELS INC and **2644833 Ontario Inc.** (The Dealer) and **Amin Qu** '(The "Guarantor(s)) dated **October 1,2018.**

IMPROVEMENTS

Description of Improvements:

Refer to Schedule D – Equipment



(initials)

SCHEDULE "I"**FACILITY REQUIREMENTS**

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT MOBIL-BRANDED MOTOR FUELS between GLOBAL FUELS INC and 2644833 Ontario Inc.(The Dealer) and Amin Qu '-(The "Guarantor(s)) dated **October 1,2018**.



(initials)

SCHEDULE "J"

RESOLUTIONS OF THE DIRECTORS OF

2644833 Ontario Inc.
(the "Corporation")

Whereas the Corporation wishes to enter into the Motor Fuel Supply Agreement MOBIL-branded Motor Fuels between **2644833 Ontario Inc.** and **Global Fuels Inc.** and ancillary documents related thereto (the "Agreements");

NOW THEREFORE BE IT RESOLVED THAT:

I. The aforementioned Agreements, in the forms and scope submitted to the directors of the Corporation be and they are hereby approved and the Corporation is hereby authorized to enter into, execute and deliver the Agreements, with such additional terms, conditions, additions, deletions, amendments and variations as any one officer or director of the Corporation may approve, the execution and delivery of any such Agreements by any one officer or director of the Corporation being conclusive evidence of such determination; and


II. Amin Qu, the President of the Corporation, or any other officer or director of the Corporation, acting alone, being he or she is hereby authorized and instructed, for and on behalf of the Corporation, to sign, execute and deliver the Agreements, to agree to any change, addition or modification to the Agreements as he or she may deem necessary or appropriate, at his or her sole discretion, and to sign, execute and deliver all such other deeds, documents or writings, including but not limited to the officer's certificate appended hereto and to perform and do or cause to be performed and has done all such other acts and things as he or she may, in his or her sole discretion, deem necessary, advantageous, useful or expedient for the purpose of giving full effect to the terms of these resolutions and to said Agreements, his or her signature to said Agreements and to all such other deeds, documents, writings or instruments to be sufficient to bind the Corporation.

THE FOREGOING RESOLUTIONS are hereby consented to, enacted and passed by all the directors of the Corporation pursuant to the *Business Corporations Act*, R.S.O. 1990, Chap. B 16, as evidenced by their signatures hereto, this **October 1, 2018**.

THE UNDERSIGNED, being the President of the Corporation, hereby certifies that the foregoing is a true copy of a Resolution of the Board of Directors of the Corporation, duly consented to in writing, signed by the directors of the Corporation on the 3rd day of JAN, 2019 and that the said Resolutions are in full force and effect and unamended as of the date hereof.

Dated at Mississauga this 3rd day of Jan, 2019.


- Amin Qu




(initials)

OFFICER'S CERTIFICATE

2644833 Ontario Inc... (the "Corporation")

I, **Amin Qu**, being the **President** of the Corporation hereby certify that:

1. The Corporation does not offer its securities to the public.
2. The names and address of all of the directors of the Corporation are set out below and the signatures appearing opposite their names are true and genuine signatures of such persons:

NAME	ADDRESS	SIGNATURE
Amin Qu		

3. The names and addresses of all of the officers of the Corporation are:

President:

Amin Qu

(Address)

Vice-President:

(Address)

Secretary:

(Name)

(Address)

Shareholder:

(Name)

(Address)

4. (a) The total number of issued and outstanding securities of the Corporation is:

common shares npv/wpv _____ Nil _____

preferred shares _____ Nil _____

Additional Security _____ Nil _____

(b) The names, addresses and holdings of securities of all of the shareholders of the Corporation are:

NAME	ADDRESS	SECURITIES
Amin Qu		

5. There have been no changes to the Articles of the Corporation since incorporation; except the following:
6. Since incorporation the powers of the directors of the Corporation have not been altered, reduced or impaired in any manner; except the following:
7. The Corporation is not insolvent and, in particular, and without limiting the generality of the foregoing, has the ability to pay its debts as they become due in the usual and ordinary course of its business.
8. All the records of the Corporation required to be kept pursuant to the provisions of the *Business Corporations Act*, R.S.O. 1990, Chap. B 16 are situated at:

The aforementioned records of the Corporation have been thoroughly reviewed and there is nothing whatsoever in said records which could in any way adversely affect the validity, priority or authorization of any agreements, documents or instruments entered into by the Corporation with Global Fuels Inc. or its affiliates.

DATED at Mississauga, in the Province of Ontario, this 3rd of January, 2019
Amin Qu
President

X _____

 (initials)

SCHEDULE "K"
LETTER OF ACKNOWLEDGMENT OF RECEIPT
OF PETROLEUM HANDLING & EMERGENCY RESPONSE INFORMATION

GLOBAL FUELS INC.
 4903 Thomas Alton Blvd.
 Suite 211,
 Burlington, Ontario
 L7M 0W8

Attention: Operations Director

2644833 Ontario Inc., hereby acknowledges receipt of the following information from Global Fuels Inc.:

- (i) Provincial/Territorial Petroleum Handling Regulations, or
- (ii) Example of a Contingency Plan/Emergency Response chart, which includes Internal Reporting Procedures and Government contacts.
- (iii) List of maintenance and emergency contractors currently approved by Global Fuels Inc.
- (iv) List of environmental consultants currently used by Global Fuels Inc.
- (v) Material Safety Data Sheets (MSDS) for petroleum products.
- (vi) Example of Inventory Control Procedures.

2644833 Ontario Inc. hereby acknowledges to:

- (i) Obtain, familiarize and keep updates to the Provincial/Territorial Petroleum Handling Regulations. These updates can be obtained from the Publications Centres/Queens Printers per the list provided in this package.
- (ii) Keep a list of maintenance and emergency contractors currently approved by the Province or Territory. These lists can be obtained from the Ministry of the Environment (MOE) or in Ontario from the Technical Standards and Safety Authority (TSSA).

2644833 Ontario Inc. understands that it is not obligated to use any of the contractors that are listed as currently used by Global Fuels Inc. **2644833 Ontario Inc.** also understands that all the information provided will change from time to time and that it is the responsibility of **2644833 Ontario Inc.** to keep current on all items.


Dated: January 3, 2019

2644833 Ontario Inc.

Witness



Per:


 Amin Qu
 President

SCHEDULE "L"
LETTER OF CONFIRMATION
OF ENVIRONMENTAL COMPLIANCE

GLOBAL FUELS INC.
 4903 Thomas Alton Blvd.
 Suite 211,
 Burlington, Ontario
 L7M 0W8

Attention: Operations Director

2644833 Ontario Inc. hereby confirms that the service station facility, and operation, located at **1525 Hwy 11 N, Shanty Bay, Ontario**, is in compliance with the following environmental requirements:

- (i) { } has a current provincial petroleum retailing license/permit;
- (ii) { } the tankage system is registered, where applicable as per Exhibit "A";
- (iii) { } the tankage system meets provincial installation and specification standards;
- (iv) { } the tankage system was installed by a provincially licensed/approved contractor, where required by law;
- (v) { } an approved emergency contingency plan is in place;
- (vi) { } is operating in compliance with regulatory operating requirements; and

Dated: January 3, 2019

2644833 Ontario Inc.

Witness



Per:


Amin Ou, President

EXHIBIT "A"
REGULATORY REQUIREMENTS FOR
TANKAGE AND CONTRACTOR REGISTRATION

	<u>TANK REGISTRATION</u>	<u>CONTRACTOR LICENSING/REGISTRATION</u>
BRITISH COLUMBIA	<ul style="list-style-type: none"> ◆ Not required at present ◆ Regulation expected by Q2, 1992 	<ul style="list-style-type: none"> ◆ Not required at present
ALBERTA	<ul style="list-style-type: none"> ◆ Mandatory ◆ To be completed by August 31, 1993 	<ul style="list-style-type: none"> ◆ Mandatory
SASKATCHEWAN	<ul style="list-style-type: none"> ◆ Mandatory 	<ul style="list-style-type: none"> ◆ Not required at present
MANITOBA	<ul style="list-style-type: none"> ◆ Not required at present ◆ Regulation expected by Q1, 1992 	<ul style="list-style-type: none"> ◆ Not required at present ◆ Expected by Q1, 1992
ONTARIO	<ul style="list-style-type: none"> ◆ Only for underground tanks at "Private Outlets." ◆ (These are locations where product is for own use only.) 	<ul style="list-style-type: none"> ◆ Mandatory
QUEBEC	<ul style="list-style-type: none"> ◆ Not required at present ◆ Draft regulations will require registration of tanks for "own use" only" 	<ul style="list-style-type: none"> ◆ Not required at present'
NEW BRUNSWICK	<ul style="list-style-type: none"> ◆ Only for underground tanks > 2,000 litres and aboveground tanks > 2,000 litres 	<ul style="list-style-type: none"> ◆ Certification required
PRINCE EDWARD ISLAND	<ul style="list-style-type: none"> ◆ Required for both underground and aboveground tanks 	<ul style="list-style-type: none"> ◆ Licensing required
NOVA SCOTIA	<ul style="list-style-type: none"> ◆ Only for underground tanks > 2,000 litres and aboveground tanks > 4,000 litres 	<ul style="list-style-type: none"> ◆ Contractors to be approved
NEWFOUNDLAND	<ul style="list-style-type: none"> ◆ Mandatory 	<ul style="list-style-type: none"> ◆ Not required at present
NORTHWEST TERRITORIES	<ul style="list-style-type: none"> ◆ Mandatory for both underground and aboveground tanks 	<ul style="list-style-type: none"> ◆ Not required at present
YUKON	<ul style="list-style-type: none"> ◆ Safety Certificate required 	<ul style="list-style-type: none"> ◆ Not required at present

NOTE: The regulatory requirements indicated above will change from time to time. It is Dealer's responsibility to keep current on any changes.

SCHEDULE "M"

GUARANTEE

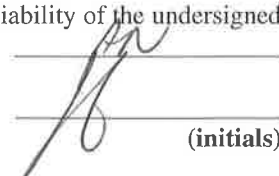
TO: Global Fuels Inc.

4903 Thomas Alton Blvd.
Suite 211,
Burlington, Ontario
L7M 0W8

IN CONSIDERATION OF Global Fuels Inc. (hereinafter referred to as "Global Fuels") agreeing to deal with or to continue to deal with **2644833 Ontario Inc.** (hereinafter referred to as the "Dealer"), each of the undersigned hereby jointly and severally guarantees the payment by the Dealer of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Dealer to Global Fuels or remaining unpaid by the Dealer to Global Fuels (the "Liabilities"). The Liabilities shall be repayable on a demand basis and shall bear interest at a variable rate per annum which is equal to Three (3) percentage points above the Prime Bank Rate of CIBC, adjusted immediately without notice on each change in the Prime Bank Rate, calculated monthly not in advance, both before and after default, demand and judgment on the principal amount and overdue interest, if any, from time to time remaining unpaid, such interest to accrue from the date of demand to the date of final payment.


AND THE UNDERSIGNED AND EACH OF THEM does hereby jointly and severally agree with the Dealer as follows:

1. **Continuing Guarantee.** This Guarantee shall be a continuing Guarantee and shall cover all of the Liabilities outstanding from time to time. This Guarantee shall further apply to and secure any ultimate balance due or remaining unpaid to Global Fuels by the Dealer and it shall remain in full force and effect notwithstanding the release or discharge of the Dealer for any reason whatsoever other than payment in full of the ultimate balance of the Liabilities.
2. **Partial Payments.** This Guarantee shall not be considered or deemed wholly or partially satisfied by the payment at any time or times of any sum or sums of money for the time being due or remaining unpaid to Global Fuels and any monies received or realized by Global Fuels from the Dealer or others shall be for all purposes payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this Guarantee the benefit of any such payments and the undersigned shall have no rights to be subrogated to any of the rights of Global Fuels until Global Fuels shall have received payment in full of the Liabilities.
3. **Global Fuels Recourse.** Global Fuels shall not be bound to exhaust its recourse against the Dealer or others or any security it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce all benefits of discussion and division.
4. **Failure of Global Fuels to Exercise Rights.** Global Fuels may grant time, renewals, extensions, indulgences, releases and discharges to, take security from and give the same and any or all existing security up to, abstain from taking security from or from perfecting security of, cease or refrain from giving credit or making loans or advances to, accept compositions from and otherwise deal with the Dealer and others and with all security as Global Fuels may see fit, and may apply all monies at any time received from the Dealer or others or from security upon such part of the Liabilities as Global Fuels deems best and change any such application in whole or in part from time to time as Global Fuels may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this Guarantee, and no loss of or in respect of any security realized by Global Fuels from the Dealer or others, whether occasioned by the fault of Global Fuels or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee.



(initials)

5. **Guarantee to Remain Enforceable.** This Guarantee shall not be discharged or otherwise affected by any change in the name of the Dealer, or in the objects, capital structure or constitution of the Dealer, or by the sale of the business of the Dealer or any part thereof or by the Dealer being amalgamated with another corporation, but shall, notwithstanding any such event, continue to apply to all Liabilities whether incurred before or after such change, and in the case of the Dealer being amalgamated with another corporation, this Guarantee shall apply to the Liabilities of the resulting partnership or corporation, and the term the "Dealer" shall include each such resulting partnership and corporation.
6. **Additional Liabilities.** All advances, renewals and credits made or granted by Global Fuels purportedly to or for the Dealer after the bankruptcy or insolvency of the Dealer but before Global Fuels has received written notice thereof, shall be deemed to form part of the Liabilities; and all advances, renewals and credits obtained from Global Fuels purportedly by or on behalf of the Dealer shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of power, incapacity or disability of the Dealer or of the directors, officers or agents thereof, or that the Dealer may not be a legal entity, or any irregularity, defect or informality in the obtaining of such advance, renewals or credits, whether or not Global Fuels had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor shall be recoverable from the undersigned as principal debtor in respect thereof and shall be paid to Global Fuels on demand with interest and accessories.
7. **Not a Substitution for any other Guarantee.** This Guarantee is in addition to and not in substitution for any other Guarantee, by whomsoever given, at any time held by Global Fuels, and any present or future obligation to Global Fuels incurred or arising otherwise than under a Guarantee of the undersigned or of any other obligant, whether bound with or apart from the Dealer, excepting any Guarantee surrendered for cancellation on delivery of this instrument.
8. **Acceptance of Account by Guarantors.** The undersigned shall be bound by any account settled between Global Fuels and the Dealer, and if no such account has been so settled immediately before demand of payment under this Guarantee, any account stated by Global Fuels shall be accepted by the undersigned as conclusive evidence of the amount which at the date of the account so stated is due by the Dealer to Global Fuels or remains unpaid by the Dealer to Global Fuels.
9. **Determination of Guarantors' Liability.** Any of the undersigned may, by notice in writing delivered to Global Fuels, determine his respective liability under this Guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities incurred or arising even though not then mature, provided, however, that notwithstanding receipt of any such notice Global Fuels may fulfil any requirements of the Dealer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this Guarantee.
10. **No Right of Set-Off or Counterclaim.** Until repayment in full of all the Liabilities, all dividends, compositions, proceeds of security, security valued or payments received by Global Fuels from the Dealer or others, or from estates in respect of the Liabilities shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim the benefit thereof in reduction of the liability under this Guarantee, and the undersigned shall not claim any set-off or counterclaim against the Dealer in respect of any liability of the Dealer to the undersigned, claim or prove in the bankruptcy or insolvency of the Dealer in competition with Global Fuels or have any right to be subrogated to Global Fuels.
11. **Notices.** No suit based on this Guarantee shall be instituted until demand of payment has been made upon the undersigned. For the purposes of this Guarantee, demand made hereunder shall be sufficiently given or made for all purposes if delivered personally to the undersigned or if sent by ordinary first class mail within Canada, postage prepaid, or if transmitted by telecommunications facility at the addresses set forth below, namely:



(initials)

if to

2644833 Ontario Inc.
1525 Hwy 11 N, Shanty Bay, Ontario L0L 2L0

Telephone: 0

Telecopier: 0

if to

Amin Qu

1525 Hwy 11 N, Shanty Bay, Ontario L0L 2L0

Telephone: 0

Telecopier: 0

or at such other address as may be given such person to the other parties hereto in writing from time to time. All such Demands shall be deemed to have been received when delivered or transmitted, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such Province.

12. Counterparts. This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

13. Time of the Essence. Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

14. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.

15. Enurement. This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.

16. Currency. Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

17. Headings for Convenience Only. The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this agreement.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such Province.

19. Gender. In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

20. Calculation of Time. When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.

21. *Legislation References.* Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

22. *Severability.* If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

23. *Transmission by Facsimile.* The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

IN WITNESS WHEREOF the parties have duly executed this Guarantee this 3rd day of January, 2019

2644833 Ontario Inc.

[Signature]
Witness

By: X [Signature]
Amin Qu

Title: President

GUARANTOR(S)

[Signature]
Witness

X [Signature]
Amin Qu

[Signature]
[Signature]
(initials)

This is Exhibit "M" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

Chiu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G

From: [amin.gu](#)
To: [Tim.Chan](#)
Subject: Re: Annual Review
Date: Wednesday, August 23, 2023 8:45:11 AM

Please be cautious

This email was sent to you from someone outside of DUCA.

Hi Tim,

I hope this email finds you well.

Very sorry for the delay.

I am out of country with my son for treatment and meanwhile shankar is back from vacation and he's working on the file.

Could you please kindly send us mortgage statement so that Shankar complete the review.

Thank you
Noor

On Aug 21, 2023, at 12:00 PM, Tim Chan <tchan@duca.com> wrote:

Hi Noor,

I hope all is well. I'm just checking in on the annual review for this. Can you provide the below when you have a chance.

- (a) Biennial net worth statement of the Guarantor; - You can just fill in page 2 of the attached form
- (b) Current Taxes bill with confirmation that all required Taxes have been paid;
- (c) Current insurance policy indicating the Lender as first mortgagee and as loss payee as its interest may appear, as the case may be, and as additional insured with respect to public liability insurance; - can you provide the June renewal copy
- (d) Current rent roll and list of Rents payable monthly;
- (e) 2021 Notices of Assessments for the Borrower and Guarantor, if there are taxes owing, can you provide proof of payment
- (f) Copies of any new leases which were put in place since the last review;
- (g) Review Engagement Financial Statements for the Borrower prepared by accountants acceptable to the Lender; and
- (h) Gas volume sales report for the year.

Thanks and Kind Regards

Tim Chan

Office: (416) 590-2391 | Cell: (647) 225-0161

<image001.jpg>

From: Tim Chan

Sent: August 03, 2023 11:57 AM

To: amin qu <aminqu@hotmail.com>

Cc: Rosa Gheisari <rgheisari@duca.com>; Shankaran Iyer <iyershankaran@hotmail.com>; Faisal Hoque <fhoque@duca.com>; Sharukh Tharani <stharani@duca.com>

Subject: RE: Annual Review

Hi Noor,

I hope all is well and that your son is doing better. Just wanted to send a reminder for the annual review documents as they were due at the end of May. Can you send over the below documents when you have a chance.

- (a) Biennial net worth statement of the Guarantor; - You can just fill in page 2 of the attached form
- (b) Current Taxes bill with confirmation that all required Taxes have been paid;
- (c) Current insurance policy indicating the Lender as first mortgagee and as loss payee as its interest may appear, as the case may be, and as additional insured with respect to public liability insurance; - can you provide the June renewal copy
- (d) Current rent roll and list of Rents payable monthly;
- (e) 2021 Notices of Assessments for the Borrower and Guarantor, if there are taxes owing, can you provide proof of payment
- (f) Copies of any new leases which were put in place since the last review;
- (g) Review Engagement Financial Statements for the Borrower prepared by accountants acceptable to the Lender; and
- (h) Gas volume sales report for the year.

Thanks and Kind Regards

Tim Chan

Office: (416) 590-2391 | Cell: (647) 225-0161

<image001.jpg>

From: Tim Chan <tchan@duca.com>
Sent: June 02, 2023 11:03 PM
To: amin qu <aminqu@hotmail.com>
Cc: Rosa Gheisari <rgheisari@duca.com>; Shankaran Iyer <iyershankaran@hotmail.com>; Faisal Hoque <fhoque@duca.com>
Subject: Re: Annual Review

For sure Noor.

Okay thanks Noor.

Thanks and Kind Regards

Tim Chan

Office: (416) 590-2391 I Cell: (647) 225-0161

From: amin qu <aminqu@hotmail.com>
Sent: Wednesday, May 31, 2023 6:14 PM
To: Tim Chan <tchan@duca.com>
Cc: Rosa Gheisari <rgheisari@duca.com>; Shankaran Iyer <iyershankaran@hotmail.com>; Faisal Hoque <fhoque@duca.com>
Subject: Re: Annual Review

Please be cautious

This email was sent to you from someone outside of DUCA.

Good evening Tim and Rosa,

Thank you very much for your support at this difficult time and I deeply appreciate your expression of sympathies.

The reports hopefully will be don't by end of June.

Have a great vacation Tim.

Thank you
Noor

On May 31, 2023, at 3:06 PM, Tim Chan <tchan@duca.com> wrote:

Hi Noor,

Sorry I'm on vacation this week. I'm really sorry to hear that. I echo Rosa words. Our thoughts are with you and your family.

And no worries, family first.

Thanks and Kind Regards

Tim Chan

Office: (416) 590-2391 I Cell: (647) 225-0161

From: Rosa Gheisari <rgheisari@duca.com>

Sent: Wednesday, May 31, 2023 11:01 AM

To: amin qu <aminqu@hotmail.com>

Cc: Shankaran Iyer <iyershankaran@hotmail.com>; Faisal Hoque <fhoque@duca.com>; Tim Chan <tchan@duca.com>

Subject: RE: Annual Review

Good morning Noor,

I hope this email finds you in good health and spirits.

Thank you for reaching out to us. Tim is currently on vacation until next week, I'm sure he will respond as soon as he returns.

I am truly sorry to hear about the challenging situation you and your family are facing. It must be an incredibly difficult time for all of you. Please know that our thoughts and deepest sympathies are with you and your family during this trying period.

Given the circumstances, we completely understand your need for more time to complete the Annual review package. Your focus and attention should rightly be directed toward your son's treatment and recovery. Please take the time you need, and rest assured that we will patiently await the reports and remaining documents.

Kind regards,

Rosa Gheisari**Analyst, Commercial Finance**

DUCA Financial Services Credit Union LTD.

5255 Yonge Street, 5th Floor

North York, ON, M2N 6P4

T: (416) 859-8694

rgheisari@duca.com

From: amin qu <aminqu@hotmail.com>**Sent:** May 30, 2023 5:47 PM**To:** Tim Chan <tchan@duca.com>**Cc:** Shankaran Iyer <iyershankaran@hotmail.com>; Rosa Gheisari <rgheisari@duca.com>; Faisal Hoque <fhoque@duca.com>**Subject:** Re: Annual Review**Please be cautious**

This email was sent to you from someone outside of DUCA.

Good evening Tim,

I hope this email finds you well.

I tried to call you a couple times but seems you were not available.

Unfortunately I was going to ask you for another month extension for completing the Annual review package please as I got busy with my son for these past two months. He has been diagnosed with Cancer unfortunately and we are much busy with him being in the hospital, doing chemotherapy and taking care of him.

We will get the reports to you by end of June please with the rest of documents.

Have a great evening.

Thank you

Noor

On May 2, 2023, at 3:46 PM, Tim Chan <tchan@duca.com> wrote:

Hi Noor,

Hope you are well. We will be performing our annual review of your loans with DUCA, including connected loans, in accordance with the requirement of our Standard Terms and Conditions, we would require the following information and it would be due on **May 31, 2023**. Feel free to let Rosa or I know if you have questions.

- (a) Biennial net worth statement of the Guarantor; - You can just fill in page 2 of the attached form
- (b) Current Taxes bill with confirmation that all required Taxes have been paid;
- (c) Current insurance policy indicating the Lender as first mortgagee and as loss payee as its interest may appear, as the case may be, and as additional insured with respect to public liability insurance; - can you provide the June renewal copy
- (d) Current rent roll and list of Rents payable monthly;
- (e) 2021 Notices of Assessments for the Borrower and Guarantor, if there are taxes owing, can you provide proof of payment
- (f) Copies of any new leases which were put in place since the last review;
- (g) Review Engagement Financial Statements for the Borrower prepared by accountants acceptable to the Lender; and
- (h) Gas volume sales report for the year.

Thanks and Kind Regards

Tim Chan

Office: (416) 590-2391 | Cell: (647) 225-0161

This e-mail and any attachments may contain confidential information. If you are not the intended recipient, please notify the sender immediately by return e-mail, delete this e-mail and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is unauthorized and may be illegal. DUCA Financial Services Credit Union Inc. reserves the right to monitor all e-mail communications through its network for quality control purposes.

This e-mail and any attachments may contain confidential information. If you are not the intended recipient, please notify the sender immediately by return e-mail, delete this e-mail and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is unauthorized and may be illegal. DUCA Financial Services Credit Union Inc. reserves the right to monitor all e-mail communications through its network for quality control purposes.

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<Net worth statement page 2.pdf>

This is Exhibit "N" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

Clu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G



MINDEN GROSS LLP
BARRISTERS & SOLICITORS
 145 KING STREET WEST, SUITE 2200
 TORONTO, ON, CANADA M5H 4G2
 TEL 416.362.3711 FAX 416.864.9223
 www.mindengross.com

DIRECT DIAL (416) 369-4124
 E-MAIL kkallish@mindengross.com
 FILE NUMBER 4134183

September 14, 2023

PERSONAL & CONFIDENTIAL
VIA REGISTERED MAIL AND ORDINARY MAIL

2644833 Ontario Inc. operating as Mobil Gas Station 1101 Field Drive Mississauga, ON L9T 6G6 Attention: Aminullah Nawrozada	2644833 Ontario Inc. operating as Mobil Gas Station 1525 Highway 11 North Shanty Bay, ON L0L 2L0 Attention: Aminullah Nawrozada
---	---

Dear Sirs:

Re: DUCA Financial Services Credit Union Ltd. ("DUCA") and 2644833 Ontario Inc. operating as Mobil Gas Station ("Company")

We have been retained by DUCA in respect of the indebtedness owing to it by the Company.

We refer you to a Commitment Letter dated February 23, 2021 between DUCA and the Company, accepted by the Company on February 25, 2021 ("**Commitment**"), and the security referenced therein ("**Security**")

We have been advised by DUCA of the following defaults under the Commitment Letter and/or Security:

1. On August 24, 2023, upon conducting a site visit to the Company's business premises located at 1525 Highway 11 North, Shanty Bay, Ontario (the "**Property**"), DUCA learned that the Company has ceased business operations, constituting an event of default under the general security agreement dated March 24, 2021 executed and delivered by the Company to DUCA.
2. The Company granted a second mortgage to Mijar Limited, which was registered on title of the Property without the prior written consent of DUCA, as required under the collateral

mortgage in the amount of \$2,500,000 granted by the Company to DUCA and registered against the Property (“**Collateral Mortgage**”).

3. On February 23, 2023, Global Fuels Inc. registered a Notice on title of the Property pursuant to Section 71 of the *Land Titles Act* without the prior written consent of DUCA, as required under the Collateral Mortgage.
4. On May 2, 2023, DUCA requested from the Company the financial and other information set out in the Commitment Letter, including, without limitation, review engagement financial statements of the Company and a current rent roll of the Property, in order for DUCA to perform its annual review of the advances made by DUCA to the Company, and the Property. DUCA requested that this information be provided by May 31, 2023. Despite indulgencies extended by DUCA to the Company due to extenuating personal circumstances expressed by the Guarantor and principal of the Company, Aminullah Nawrozada, to date, the Company has failed to provide this information to DUCA.

In accordance with the terms and provisions of the Commitment Letter, the above noted defaults entitle DUCA to demand immediate payment of the amounts advanced by it to the Company, together with interest thereon.

We have been advised by DUCA that as at September 13, 2023, the Company is indebted to it in the amount of \$2,121,932.33, comprising principal in the amount of \$2,120,953.13 and accrued interest to and including September 13, 2023 in the amount of \$979.20. Interest continues to accrue on the aforesaid principal amount at the rate of 4.25% per annum. The per diem amount on the aforesaid principal amount is \$244.80.

On behalf of DUCA, we hereby advise you that the indebtedness owing to DUCA by the Company expressed above is hereby declared to be immediately due and payable. Accordingly, on behalf of DUCA, we hereby formally make demand upon the Company for payment by no later than September 25, 2023 of the amounts expressed above and all interest accruing thereon up until the date of payment in full and for all other amounts which the Company is liable for to DUCA in accordance with the security delivered by the Company to DUCA, including, without limitation, legal fees on a full indemnity basis.

In the event payment is not made as requested, we must advise you that DUCA reserves its rights to take such further steps as are necessary to recover the indebtedness and liabilities owing by the Company to DUCA, including, without limitation, the appointment of a receiver and manager of the property, assets and undertaking of the Company, including, without limitation, the Property.

We further advise the Company that DUCA expressly reserves its rights to take such further steps as are necessary at any time prior to September 25, 2023 without further notice to the Company if DUCA becomes aware of any matter which may impair its security.

We enclose a notice of intention to enforce security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

If you wish to discuss this matter with us, please contact us immediately either directly or through your solicitors.

Yours truly,

MINDEN GROSS LLP

Per:

Kenneth L. Kallish

(electronic signature)

Kenneth L. Kallish*

Enc.

*Partner through Professional Corporation

cc: DUCA Financial Services Credit Union Ltd.
Attn: I. Bogdanovich, Director, Special Assets

#5868086 v1 | 4134183

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)
SECTION 244**

**PERSONAL & CONFIDENTIAL
REGISTERED MAIL AND ORDINARY MAIL**

TO: 2644833 ONTARIO INC. operating as Mobil Gas Station, an insolvent person

TAKE NOTICE THAT:

1. DUCA Financial Services Credit Union Ltd., a secured creditor, intends to enforce its security on the insolvent person's property described below:
 - real property legally described in PIN #58552-0076 (LT), Land Registry Office #51, and municipally known as 1525 Highway 11 North, Shanty Bay, Ontario ("**Real Property**")
 - all personal property of the insolvent person, including, without limitation, all inventory, equipment, machinery, fixtures, book debts, contractual rights, monies, chattel paper, intellectual property and goodwill of the insolvent person, together with all proceeds, additions, accretions and substitutions therefor
2. The security that is to be enforced is in the form of:
 - a collateral mortgage against the Real Property in the amount of \$2,250,000 registered on April 9, 2021 as Instrument No. SC1770188
 - an assignment of rents dated April 9, 2021, notice of which was registered against the Real Property on April 9, 2021 as Instrument No. SC1770189
 - a General Security Agreement dated March 24, 2021
3. The total amount of indebtedness secured by the security as at September 13, 2023 is \$2,121,932.33, plus all legal and other expenses incurred by the secured creditor, which expenses are secured by the above-noted security.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto this 14th day of September, 2023.

**DUCA FINANCIAL SERVICES
CREDIT UNION LTD.**

by its solicitors, MINDEN GROSS LLP

Per: *Kenneth L. Kallish*
(electronic signature)

Kenneth L. Kallish



MINDEN GROSS LLP
BARRISTERS & SOLICITORS
145 KING STREET WEST, SUITE 2200
TORONTO, ON, CANADA M5H 4G2
TEL 416.362.3711 FAX 416.864.9223
www.mindengross.com

DIRECT DIAL (416) 369-4124
E-MAIL kkallish@mindengross.com
FILE NUMBER 4134183

September 27, 2023

PERSONAL AND CONFIDENTIAL
VIA REGISTERED MAIL, ORDINARY MAIL AND EMAIL (aminqu@hotmail.com)

Aminullah Nawrozada
7263 Second Line West
Mississauga, ON L5W 1M7

Dear Sir:

**Re: DUCA Financial Services Credit Union Ltd. ("DUCA") and 2644833 Ontario
 Inc. operating as Mobil Gas Station ("Company")**

We have been retained by DUCA in respect of the indebtedness owing to it by the Company.

As you are aware, you guaranteed all of the indebtedness and liabilities, present or future, direct or indirect, absolute or contingent, matured or not at any time owing by the Company to DUCA or remaining unpaid by the Company to DUCA under an unlimited guarantee and postponement of claim dated March 24, 2021.

As at September 13, 2023, the Company is indebted to DUCA in respect of a first mortgage loan, in the amount of \$2,121,932.33, comprising principal in the amount of \$2,120,953.13 and accrued interest to and including September 13, 2023 in the amount of \$979.20. Interest continues to accrue on the aforesaid principal amount at the rate of 4.25% per annum. The per diem amount on the aforesaid principal amount is \$244.80.

On behalf of DUCA, we hereby formally make demand upon you for the immediate payment of all of the amounts expressed above, all interest accruing thereon and under your guarantee and postponement of claim from the date hereof up until the date of payment in full and for all other amounts which the Company is liable for to DUCA in accordance with the security delivered by the Company to DUCA, including, without limitation, legal fees on a full indemnity basis.

In the event payment is not made as requested, DUCA shall commence such legal proceedings it is entitled to commence against you in connection with your liabilities and obligations under the aforesaid guarantee and postponement of claim.

If you wish to discuss this matter with us, please contact us immediately either directly or through your solicitor.

Yours truly,

MINDEN GROSS LLP

Per:

Kenneth L. Kallish

(electronic signature)

Kenneth L. Kallish*

*Partner through Professional Corporation

cc: DUCA Financial Services Credit Union Ltd.
 Attn: I. Bogdanovich, Director, Special Assets

#5868165 v2 | 4134183



MINDEN GROSS LLP
BARRISTERS & SOLICITORS
 145 KING STREET WEST, SUITE 2200
 TORONTO, ON, CANADA M5H 4G2
 TEL 416.362.3711 FAX 416.864.9223
 www.mindengross.com

DIRECT DIAL (416) 369-4124
 E-MAIL kkallish@mindengross.com
 FILE NUMBER 4134183

September 14, 2023

PERSONAL AND CONFIDENTIAL
VIA REGISTERED MAIL AND ORDINARY MAIL

Aminullah Nawrozada 1101 Field Drive Mississauga, ON L9T 6G6	Aminullah Nawrozada 1525 Highway 11 North Shanty Bay, ON L0L 2L0
--	--

Dear Sir:

Re: DUCA Financial Services Credit Union Ltd. ("DUCA") and 2644833 Ontario Inc. operating as Mobil Gas Station ("Company")

We have been retained by DUCA in respect of the indebtedness owing to it by the Company.

As you are aware, you guaranteed all of the indebtedness and liabilities, present or future, direct or indirect, absolute or contingent, matured or not at any time owing by the Company to DUCA or remaining unpaid by the Company to DUCA under an unlimited guarantee and postponement of claim dated March 24, 2021.

As at September 13, 2023, the Company is indebted to DUCA in respect of a first mortgage loan, in the amount of \$2,121,932.33, comprising principal in the amount of \$2,120,953.13 and accrued interest to and including September 13, 2023 in the amount of \$979.20. Interest continues to accrue on the aforesaid principal amount at the rate of 4.25% per annum. The per diem amount on the aforesaid principal amount is \$244.80.

On behalf of DUCA, we hereby formally make demand upon you for payment by no later than September 25, 2023 all of the amounts expressed above, all interest accruing thereon and under your guarantee and postponement of claim from the date hereof up until the date of payment in full and for all other amounts which the Company is liable for to DUCA in accordance with the security delivered by the Company to DUCA, including, without limitation, legal fees on a full indemnity basis.

In the event payment is not made as requested, DUCA shall commence such legal proceedings it is entitled to commence against you in connection with your liabilities and obligations under the aforesaid guarantee and postponement of claim.

We further advise you that the Bank expressly reserves its rights to take such further steps as are necessary at any time prior to September 25, 2023 without further notice to you if the Bank becomes aware of any matter which may impair its security.

If you wish to discuss this matter with us, please contact us immediately either directly or through your solicitor.

Yours truly,

MINDEN GROSS LLP

Per:

Kenneth L. Kallish

(electronic signature)

Kenneth L. Kallish*

*Partner through Professional Corporation

cc: DUCA Financial Services Credit Union Ltd.
Attn: I. Bogdanovich, Director, Special Assets

This is Exhibit "O" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

Clu

.....
A Commissioner for Taking Affidavits

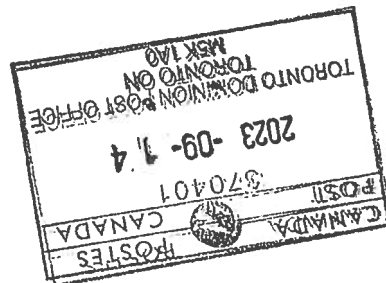
Carol Liu / LSO# 84938G

Registered Mail

File No. 4134183

Ken Kallish

September 14, 2023



<p>2644833 Ontario Inc. operating as Mobil Gas Station 1101 Field Drive Mississauga, ON L9T 6G6 Attention: Aminullah Nawrozada</p> <p><i>returned "moved" →</i></p>	<p>R RN 735 790 042 CA</p>
<p>2644833 Ontario Inc. operating as Mobil Gas Station 1525 Highway 11 North Shanty Bay, ON L0L 2L0 Attention: Aminullah Nawrozada</p> <p><i>Sept 15 - not picked up yet</i></p>	<p>R RN 735 790 056 CA</p>
<p>Aminullah Nawrozada 1101 Field Drive Mississauga, ON L9T 6G6</p> <p><i>returned "moved" →</i></p>	<p>R RN 735 790 060 CA</p>
<p>Aminullah Nawrozada 1525 Highway 11 North Shanty Bay, ON L0L 2L0</p> <p><i>Sept 15 - not picked up yet</i></p>	<p>R RN 735 790 073 CA</p>

- no regular mail has been returned

Tracking number:

RN735790056CA

Notice left

Shipping service: Registered Mail

Delivery standard: Sept. 15

Latest updates

Date	Time	Location	Progress	Post office
Sept. 15	12:16 pm	ORO,ON	Notice card left indicating where and when to pick up item	
Sept. 15	9:02 am	ORO,ON	Item out for delivery	
Sept. 15	8:33 am	ORO,ON	Item processed	
Sept. 15	6:36 am	BARRIE,ON	Item in transit	
Sept. 15	3:36 am	BARRIE,ON	Item processed	
Sept. 14	9:15 pm	MISSISSAUGA,ON	Item processed	
Sept. 14	3:02 pm	TORONTO,ON	Item accepted at the Post Office	

Features and options

Signature Required

Tracking number:

RN735790073CA

Notice left

Delivery standard: Sept. 15

Latest updates

Date	Time	Location	Progress	Post office
Sept. 15	12:16 pm	ORO,ON	Notice card left indicating where and when to pick up item	
Sept. 15	9:02 am	ORO,ON	Item out for delivery	
Sept. 15	8:33 am	ORO,ON	Item processed	
Sept. 15	6:36 am	BARRIE,ON	Item in transit	
Sept. 15	3:36 am	BARRIE,ON	Item processed	
Sept. 14	9:13 pm	MISSISSAUGA,ON	Item processed	

Features and options

Signature Required

This is Exhibit "P" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

Chiu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G

From: [Ken Kallish](#)
To: aminqu@hotmail.com
Cc: [Rachel Moses](#); [Carol Liu](#)
Subject: DUCA Financial Services CRedit Union Ltd, ("DUCA") and 2644833 Ontario Inc. ("Company")
Date: Wednesday, September 27, 2023 4:26:58 PM
Attachments: [Demand Letter & BIA Notice.pdf](#)
[Corporate Profile Report - 2644833 Ontario Inc.PDF](#)
[DOCS1-#5868165-v1-Demand - Guarantor.pdf](#)
[DOCS1-#5868165-v2-Demand - Guarantor.pdf](#)
Importance: High

Dear Mr. Nawrozada,

We act as counsel to DUCA in respect of the indebtedness owing to it by the Company.

Attached is a letter dated September 14, 2023 from our firm to the Company, demanding the payment of the indebtedness owing by the Company to DUCA ("Indebtedness"), and the BIA Notice referred to therein. The letter was addressed to 1101 Field Drive, Mississauga, Ontario, L9T 6G6, the address noted in the attached Corporate Profile Report of the Company. This letter was sent by ordinary and registered mail. The registered mail letter was recently returned to our office marked "Return to Sender" and "Moved". The letter was also sent by ordinary mail, and has not been returned to us. You will note that this letter was also sent by registered and ordinary mail to 1525 Highway 11 North, Shanty Bay, Ontario L0L 2L0, where the Company carries on business operations. The registered mail letter was recently returned to our office marked "Return to Sender" and "Moved". The letter sent by ordinary mail has not been returned to our office.

We also attach a letter dated September 14, 2023 addressed to you, demanding repayment of the Indebtedness under your guarantee and postponement of claim dated March 24, 2021. This letter was sent by registered mail and ordinary mail to the Mississauga and Shanty Bay addresses noted above. The registered mail letter was recently returned to our office marked "Return to Sender" and "Moved". The letter sent by ordinary mail has not been returned to us

In the event you have not received a copy of the demand letter under your guarantee, we attach a demand letter dated today, demanding the immediate repayment of the Indebtedness.

We have been instructed to commence legal proceeding against the Company and you personally, as guarantor, for the repayment of the Indebtedness, and for the appointment of a Receiver against all of the property, assets, and undertaking of the Company.

Should you wish to discuss this matter, please contact the undersigned directly, or through your counsel.

Thank you,



KENNETH L. KALLISH*

T: [416.369.4124](tel:416.369.4124) **F:** 416.864.9223 www.mindengross.com

145 King St. West, Suite 2200, Toronto, ON M5H 4G2

Save contact details: [Kenneth L. Kallish](#)

*Partner through Professional Corporation

MERITAS LAW FIRMS WORLDWIDE

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This is Exhibit "Q" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

Chiu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G

From: [Kirk Cooper](#) on behalf of [HelpDesk](#)
To: [Ken Kallish](#); [Terri Hachey](#)
Cc: [HelpDesk](#)
Subject: RE: Email Delivery Receipt
Date: Thursday, September 28, 2023 11:50:25 AM
Attachments: [image001.png](#)

This is from the email filter which shows delivery.

From	To	Subject	Date	Size	Delivery
Ken Kallish	ibogdanovich@duca.com	» DUCA Financial Services CRedit Union Ltd. ("DUCA") and 264...	09/27 04:27PM	761 KB	Delivered
Ken Kallish	aminqu@hotmail.com	» DUCA Financial Services CRedit Union Ltd. ("DUCA") and 264...	09/27 04:26PM	761 KB	Delivered
Vita Hurley	aminqu@hotmail.com	» On behalf of Ken Kallish - DUCA Financial Services and 26448...	09/27 04:14PM	119 KB	Delivered

Kirk Cooper | **Technical Support Specialist** | T: 416.369.4301 ext. 1266 | F: 416.864.9223 | www.mindengross.com
 MERITAS LAW FIRMS WORLDWIDE

From: Terri Hachey <THachey@mindengross.com> **On Behalf Of** Ken Kallish
Sent: September 28, 2023 11:43 AM
To: HelpDesk <HelpDesk@mindengross.com>
Cc: Terri Hachey <THachey@mindengross.com>
Subject: Email Delivery Receipt
Importance: High

Hi team Ken forgot to ask for a delivery receipt for this email. Any way to get one?

Terri Hachey | **Legal Assistant** | T: 416.369.4301 ext. 1261 | F: 416.864.9223 | www.mindengross.com
 MERITAS LAW FIRMS WORLDWIDE

From: Ken Kallish
Sent: Wednesday, September 27, 2023 4:27 PM
To: aminqu@hotmail.com
Cc: Rachel Moses <RMoses@mindengross.com>; Carol Liu <CLiu@mindengross.com>
Subject: DUCA Financial Services CRedit Union Ltd. ("DUCA") and 2644833 Ontario Inc. ("Company")
Importance: High

Dear Mr. Nawrozada,

We act as counsel to DUCA in respect of the indebtedness owing to it by the Company.

Attached is a letter dated September 14, 2023 from our firm to the Company, demanding the payment of the indebtedness owing by the Company to DUCA ("Indebtedness"), and the BIA Notice referred to therein. The letter was addressed to 1101 Field Drive, Mississauga, Ontario, L9T 6G6, the address noted in the attached Corporate Profile Report of the Company. This letter was sent by ordinary and registered mail. The registered mail letter was recently returned to our office marked "Return to Sender" and "Moved". The letter was also sent by ordinary mail, and has not been returned to us. You will note that this letter was also sent by registered and ordinary mail to 1525 Highway 11 North, Shanty Bay, Ontario L0L 2L0, where the Company carries on business operations. The registered mail letter was recently returned to our office marked "Return to Sender" and "Moved". The letter sent by ordinary mail has not been returned to our office.

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In the event you have not received a copy of the demand letter under your guarantee, we attach a demand letter dated today, demanding the immediate repayment of the Indebtedness.

We have been instructed to commence legal proceeding against the Company and you personally, as guarantor, for the repayment of the Indebtedness, and for the appointment of a Receiver against all of the property, assets, and undertaking of the Company.

Should you wish to discuss this matter, please contact the undersigned directly, or through your counsel.

Thank you,



KENNETH L. KALLISH*

T: 416.369.4124 F: 416.864.9223 www.mindengross.com

145 King St. West, Suite 2200, Toronto, ON M5H 4G2

Save contact details: [Kenneth L. Kallish](#)

*Partner through Professional Corporation

MERITAS LAW FIRMS WORLDWIDE

This communication is for the use of the individual or entity named herein and contains information that may be privileged and confidential. If you are not the intended recipient, any dissemination, distribution or copying of this message or its contents is strictly prohibited. If you have received this message in error, please advise the sender immediately.

This is Exhibit "R" referred to
in the Affidavit of Ivan Bogdanovich
Sworn this 20th
day of October, 2023.

Clu

.....
A Commissioner for Taking Affidavits

Carol Liu / LSO# 84938G

Court File No. CV-23-00001810-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Plaintiff

and

2644833 ONTARIO INC. and AMINULLAH NAWROZADA also known as AMIN QU

Defendants

CONSENT

msi Spergel Inc. hereby agrees to act as Receiver in the above-noted matter.

DATED at **TORONTO**, Ontario, 18th day of October, 2023.

msi Spergel Inc.



Per: _____

Name: Mukul Manchanda, CPA, CIRP, LIT

Title: Managing Partner

B E T W E N

DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Plaintiff

-and-

2644833 ONTARIO INC., et al.
Defendants
Court File No. CV-23-00001810-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Barrie

CONSENT

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO#42081V)
rmoses@mindengross.com
Tel: 416-369-4115

Carol Liu (LSO# 84938G)
cliu@mindengross.com
Tel: 416-369-4287

Lawyers for the Plaintiff
(File No. 4134183)



**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Plaintiff

and

2644833 ONTARIO INC. and AMINULLAH NAWROZADA also known as AMIN QU

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANT(S):

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, **WITHIN TWENTY DAYS** after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

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Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date _____ Issued by _____
Local Registrar
Address of 75 Mulcaster Street
court office: Barrie ON L4M 3P2

TO: **2644833 ONTARIO INC.**
1101 Field Drive
Mississauga, Ontario L9T 6G6

AND TO: **2644833 ONTARIO INC.**
1525 Highway 11 North
Shanty Bay, Ontario L0L 2L0

AND TO: **AMINULLAH NAWROZADA**
7263 Second Line West
Mississauga, ON L5W 1M7

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CLAIM

1. The plaintiff, DUCA Financial Services Credit Union Ltd. (“**DUCA**”), claims as against the defendant, 2644833 Ontario Inc. (the “**Debtor**”) as follows:
 - (a) an order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (“**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, appointing msi Spergel inc. as receiver (in such capacity, the “**Receiver**”), without security, over all of the assets, undertakings and property of the Debtor.
2. DUCA claims against the defendant, Aminullah Nawrozada (the “**Guarantor**”) as follows:
 - (a) payment in the sum \$2,121,932.33 under the Guarantor’s unlimited guarantee of debts, liabilities and obligations of the Debtor to DUCA, plus interest thereon from September 13, 2023 to the date of judgment at the rate of 4.25% per annum, both before and after judgment;
3. DUCA claims against the defendants collectively:
 - (a) in the alternative to paragraph 2(a), pre-judgment interest from September 13, 2023 and post-judgment interest, in accordance with sections 128 and 129 of the *Courts of Justice Act*;

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- (b) the costs of this proceeding on a full indemnity basis, plus all applicable taxes; and
- (c) such further and other relief as to this Honourable Court may seem just.

The Parties

4. DUCA is a credit union with offices across Ontario. Its head office is located at 5255 Yonge Street, Toronto, Ontario, M2N 6P4.

5. The Debtor is incorporated pursuant to the laws of Ontario, with its registered head office address at 1101 Field Drive, Mississauga, Ontario L9T 6G6. The Debtor used to operate a Mobil Gas Station at 1525 Highway 11 North, Shanty Bay, Ontario L0L 2L0 (the "**Property**").

6. The Guarantor is an individual residing in the Province of Ontario. The Guarantor is the sole director and officer of the Debtor.

7. The Guarantor personally guaranteed the indebtedness of the Debtor to DUCA.

Commitment and Security

8. The Debtor is indebted to DUCA in connection with a loan in the amount of \$2,250,000.00 ("**Mortgage Loan**") made available by DUCA to the Debtor pursuant to a

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commitment letter agreement dated February 23, 2021, which agreement together with Schedule "A" – Additional Loan Terms are collectively the "**Commitment**".

9. Pursuant to the "Reporting Requirements" section of the Commitment, the Debtor agreed to provide the following to DUCA:

(a) Biennial net worth statement of the Guarantor; and

On or before May 31st of each year:

(b) Current Taxes bill with confirmation that all required Taxes have been paid;

(c) Current insurance policy indicating the Lender as first mortgagee and as loss payee as its interest may appear, as the case may be, and as additional insured with respect to public liability insurance;

(d) Current rent roll and list of Rents payable monthly;

(e) Notices of Assessments for the Borrower and Guarantor;

(f) Copies of any new leases which were put in place since the last review;

(g) Review Engagement Financial Statements for the Borrower prepared by accountants acceptable to the Lender;

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(h) Gas volume sales report for the year;

Additionally, the Borrower and Guarantor shall promptly provide such other information pertinent to the Property, the Borrower and the Guarantor as the Lender may request from time to time.

(collectively, the "**Reporting**").

10. The "Default" section in Schedule "A" - Additional Loan Terms of the Commitment states that the Debtor or Guarantor's failure to perform or comply with any provisions of the Commitment constitutes a default and DUCA shall have the right to immediately demand payment of any amounts advanced, together with interest and any other amounts due.

11. The "Appointment of Receiver" section in Schedule "A" - Additional Loan Terms of the Commitment entitles DUCA to appoint a receiver in the event of default under the Commitment or the Security delivered to DUCA.

12. DUCA pleads and relies upon all of the terms of the Commitment.

13. As security for the Mortgage Loan, the Debtor granted DUCA a general security agreement signed by the Debtor on March 24, 2021 (the "**GSA**"), registration in respect of which was duly made pursuant to the Personal Property Security Act (Ontario) (the "**PPSA**").

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14. Pursuant to section 11(a) “Events of Default” of the GSA, failure by the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in the GSA or any other agreement between the Debtor and DUCA constitutes default under the GSA.

15. Pursuant to section 11(f) “Events of Default” of the GSA, if the Debtor ceases or threatens to cease to carry on business, that constitutes default under the GSA.

16. Pursuant to section 13.01 “Remedies” of the GSA, upon default, DUCA is entitled to appoint a receiver.

17. DUCA pleads and relies upon all of the terms of the GSA.

18. In support of, and as further security for the Debtor’s obligations under the Commitment, the Debtor granted a Charge/Mortgage to DUCA registered as Instrument No. SC1770188 on April 9, 2021, in the principal amount of \$2,250,000.00, in connection with the Property, including the Schedule to Collateral Mortgages which contain the terms of the Mortgage Loan. DUCA Charge/Mortgage and the Schedule to Collateral Mortgages are collectively, the “**Mortgage Security**”.

19. DUCA pleads and relies upon all of the terms of the Mortgage Security.

20. In support of, and as further security for the Debtor’s obligations under the Commitment, the Debtor provided DUCA with an undertaking dated March 24, 2021, where it undertook not to further encumber the Property without prior written consent from

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DUCA, which consent may be provided or withheld at its sole and unfettered discretion (**“Undertaking Regarding Further Encumbrances”**).

21. DUCA pleads and relies upon all of the terms of the Undertaking Regarding Further Encumbrances.

22. In support of, and as further security for the Debtor’s obligations under the Commitment, by the unlimited guarantee executed by the Guarantor on March 24, 2021, he guaranteed payment to DUCA of all the debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to DUCA on account of the DUCA Mortgage Loan and the Commitment together with interest from the date of demand at a rate equal to the interest rate provided for in the Commitment, which is 4.25% per annum, both before and after judgment (the **“Guarantee”**).

23. The Guarantee provides that:

- (a) the Guarantor guarantees payment of any and all present and future debts and liabilities owing to DUCA by the Debtor (section 1);
- (b) the Guarantee is continuing and shall apply to secure any ultimate balance due, or remaining unpaid by the Debtor to DUCA (section 6);

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- (c) the Guarantor shall make payment to DUCA forthwith after demand is made to the Guarantor (section 7);
- (d) a demand for payment is effectively made on the Guarantor by sending him registered mail containing a demand addressed to his place of address last known to DUCA (section 15);
- (e) the Guarantor is liable to DUCA for interest on the amount demanded at the interest rate provided for in the Commitment on the unpaid portion of all amounts payable under the Guarantee (section 8);
- (f) the Guarantor is liable to DUCA for all reasonable costs and expenses that DUCA incurs in enforcing this Guarantee (section 8);
- (g) the Guarantor has a separate and distinct obligation to indemnify and save harmless DUCA from and against all losses resulting from the failure of the Debtor to perform its obligations to DUCA (section 2);
and
- (h) DUCA is not bound to exhaust recourse against the Debtor, or other persons or security, before being entitled to payment from the Guarantor (section 7).

24. DUCA pleads and relies upon all of the terms of the Guarantee.

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Default and Demand

25. On or about September 11, 2023, the Debtor's accounts were transferred to DUCA's Special Assets group due to, among other things, defaults under the Commitment and security documents.

26. On September 14 and September 27, 2023, DUCA issued payment demands and related s. 244 notices under the BIA ("**Section 244 Notice**") to the Debtor. Payment demands were also issued to the Guarantor under the Guarantee.

27. DUCA, through its counsel, issued the payment demands and Section 244 Notice on the Debtor and Guarantor, as applicable, on the basis of multiple defaults under the Commitment and security documents that remain unremedied to date.

28. The particulars of the defaults are as follows:

- (a) On August 24, 2023 and on September 15, 2023, upon conducting two site visits to the Debtor's business premises located at the Property, DUCA learned that the gas station was closed and only one out of three tenants expected to occupy the Property was still operating its business. This cessation of business constitutes a breach under section 11.1(f) of the GSA;
- (b) DUCA discovered that the Debtor granted a second mortgage to Mijar Limited, which second mortgage was registered on title of the

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Property without the prior written consent of DUCA. This unauthorized registration of a second mortgage, along with the unauthorized registrations of an assignment of rents and a Notice pursuant to Section 71 of the *Land Titles Act*, all in favour of Mijar Limited, constitute a breach under section 12(h) of the Mortgage Security and the Undertaking Regarding Further Encumbrances;

- (c) DUCA also discovered that the Debtor's supplier, Global Fuels Inc., registered a Notice on title of the Property pursuant to Section 71 of the *Land Titles Act*, which Notice was registered without the prior written consent of DUCA. This unauthorized registration of a Notice constitutes a breach under section 12(h) of the Mortgage Security and the Undertaking Regarding Further Encumbrances;
- (d) On May 2, 2023, DUCA requested from the Debtor the Reporting set out in the Commitment including, without limitation, review engagement financial statements of the Debtor and a current rent roll of the Property, in order for DUCA to perform its annual review of the advances made by DUCA to the Debtor and the Property. DUCA originally requested that this information be provided by May 31, 2023. Despite granting the Debtor more than enough time from May 2023 to August 2023 to provide the financial and other information required, the Debtor has failed to provide this information to DUCA,

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in breach of the “Reporting Requirements” section in the Commitment.

29. DUCA pleads that payment demands and the Section 244 Notice have expired and the indebtedness remains outstanding.

30. DUCA pleads that it provided the Debtor and Guarantor with time to cure the defaults set out above. The Debtor and Guarantor have failed and/or refused to do so.

31. The Debtor is in breach of its contractual obligations under the Commitment, GSA and Mortgage Security.

Basis of Appointing Receiver

32. The “Appointment of Receiver” section in Schedule “A” - Additional Loan Terms of the Commitment provides that in the event of a default, DUCA is entitled to seek the appointment of a receiver.

33. Section 13.01 “Remedies” of the GSA provides for the appointment of a receiver upon default.

34. Section 13(d) “Remedies” of the Mortgage Security provides for the appointment of a receiver upon default.

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35. DUCA has provided the Debtor with more than sufficient time to repay the indebtedness. The Debtor has been unable to fulfil its obligations to DUCA.

36. DUCA is entitled to take any and all steps necessary to enforce its security and realize on same.

37. DUCA considers it reasonable and prudent for it to begin enforcement of its security in an effort to recover the outstanding indebtedness.

38. msi Spergel inc. has consented to act as receiver over the Debtor.

39. At the time of pleading, the indebtedness remains outstanding by the defendants in respect of the Mortgage Loan in the amount of \$2,121,932.33 (as of September 13, 2023), not including legal fees.

40. DUCA pleads that the defendants are liable to it for the relief sought herein.

October 18, 2023

MINDEN GROSS LLP
Barristers and Solicitors
2200 – 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO# 42081V)
rmoses@mindengross.com
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Carol Liu (LSO# 84938G)
cliu@mindengross.com
Tel: 416-369-4287

Lawyers for the Plaintiff

B E T W E N

DUCA FINANCIAL SERVICES CREDIT UNION LTD. -and-
Plaintiff

2644833 ONTARIO INC., et al.
Defendants

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Barrie

STATEMENT OF CLAIM

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Lawyers for the Plaintiff
(File No. 4134183)

Court File No. CV-23-00001810-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE)	TUESDAY, THE 14 TH
)	
JUSTICE)	DAY OF NOVEMBER, 2023

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Plaintiff

- and -

2644833 ONTARIO INC. and AMINULLAH NAWROZADA also known as AMIN QU

Defendants

ORDER
(appointing Receiver)

THIS MOTION made by the Plaintiff for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing msi Spergel inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of 2644833 Ontario Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 75 Mulcaster Street, Barrie, Ontario.

ON READING the affidavit of Ivan Bogdanovich sworn October 20, 2023 and the Exhibits thereto and on hearing the submissions of counsel for the Plaintiff, no one appearing for the Debtor although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of msi Spergel inc. to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, msi Spergel inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all

or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$15,000.00, provided that the aggregate consideration for all such transactions does not exceed \$50,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to

the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or

regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post**

Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a

charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the

Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <https://www.spergelcorporate.ca/engagements>.

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices

or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's

security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the receiver (the "**Receiver**") of the assets, undertakings and properties 2644833 Ontario Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 20__ (the "**Order**") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "*Lender*") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

Msi Spergel inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____
Name:
Title:

B E T W E E N

DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Plaintiff

-and-

2644833 ONTARIO INC., et al.

Defendants

Court File No. CV-23-00001810-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Barrie

MOTION RECORD

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