

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC., 2067166  
ONTARIO INC., 2139770 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES –  
LA PROMENADE INC., 2195186 ONTARIO INC, ASHCROFT HOMES – CAPITAL HALL  
INC., AND 1019883 ONTARIO INC.

Applicants

**MOTION RECORD  
(RETURNABLE DECEMBER 12, 2024)**

December 11, 2024

**MILLER THOMSON LLP**  
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Lawyers for Canadian Western Bank

**TO: The Service List**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
ASHCROFT URBAN DEVELOPMENTS INC., 2067166 ONTARIO INC., 2139770  
ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES – LA PROMENADE INC.,  
2195186 ONTARIO INC, ASHCROFT HOMES – CAPITAL HALL INC., AND 1019883  
ONTARIO INC.

Applicants

**MOTION RECORD**

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# TAB 1

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ASHCROFT URBAN DEVELOPMENTS INC., 2067166 ONTARIO INC., 2139770 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES – LA PROMENADE INC., 2195186 ONTARIO INC, ASHCROFT HOMES – CAPITAL HALL INC., AND 1019883 ONTARIO INC.**

**Applicants**

**NOTICE OF MOTION**

Canadian Western Bank, a secured creditor of 101988 Ontario Inc., will make a motion to the court on Thursday, December 12, 2024 at 10:00 a.m., or as soon after that time as the motion can be heard.

**PROPOSED METHOD OF HEARING:** The motion is to be heard

By video conference.

at the following location

Ottawa Courthouse, 161 Elgin Street, Ottawa, Ontario, via Zoom video conference.

**THE MOTION IS FOR**

1. Canadian Western Bank (“**CWB**”) makes this motion for an order substantially in the form attached as Schedule “B” to the notice of motion of ACM Advisors Ltd., returnable December 12, 2024 (the “**ACM NOM**”) filed in this proceeding, including:

- (a) abridging the time for service and filing of this notice of motion and related motion materials or, in the alternative, dispensing with same;

- (b) if necessary, lifting the stay of proceedings (*nunc pro tunc* or otherwise), in the within proceedings;
  - (c) appointing KSV Restructuring Inc. (“**KSV**”) as interim receiver (in such capacity, the “**Interim Receiver**”) without security, over the property and assets of 101988 Ontario Inc. (“**1019 Ontario**”),
  - (d) directing that Grant Thornton Limited, in its capacity as court appointed monitor of the Applicants (the “**Monitor**”) take no further actions in respect of its appointment as Monitor pursuant to the order of this court in these proceedings made on December 5, 2024, other than with the consent and at the direction of the Interim Receiver;
  - (a) terminating the proceedings under the *Companies Creditors’ Arrangement Act*, RSC 1985 c. C-36 (the “**CCAA**”) in respect of the Debtors upon the Interim Receiver filing a certificate in the form attached to the ACM NOM as Schedule “B” to the proposed Order confirming that the Transition (as defined in the Pre-Filing Report of KSV);
2. Section 11 of the CCAA, as amended;
  3. Sections 101 and 106 of the *Courts of Justice Act*, RSO, c. C.43, as amended.
  4. Section 47(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended.
  5. Rules 1.04, 1.05, 3.02, 16.08, and 38 of the Rules of Civil Procedure, RRO 1990, c. C.43.
  6. such further and other Relief as to this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

**A. BACKGROUND OF RECEIVERSHIP, DEBTORS AND REAL PROPERTY**

7. Substantially the same grounds as described in the ACM NOM.
8. Capitalized terms used herein and not otherwise defined have the meaning give to them in the Affidavit of Aleksandar Nakevski, sworn December 11, 2024 (the “**Nakevski Affidavit**”).

**CWB Credit Facility and Security**

9. Pursuant to a Commitment Letter dated March 18, 2022 and amended November 19, 2024 (the “**Commitment Letter**”) CWB agreed to extend to 1019 Ontario a demand loan (the “**Demand Loan**”) in the amount of \$4,400,000.00.

10. As of December 11, 2024, 1019 Ontario was indebted to CWB in the amount of \$4,123,736.45.

11. CWB has valid and enforceable security securing all obligations owing under the Commitment Letter, including among other things, a General Security Agreement, Mortgage, Notice of Assignment of Rents, Assignment of Insurance and Environmental Agreement and Indemnity.

**Defaults and Demand**

12. On August 16, 2024, CWB sent notice to 1019 Ontario (the “**Notice of Default**”) of defaults under the Commitment Letter consisting of: (i) failing to adhere to certain reporting requirements; and (ii) failing to make payment went due (the “**Defaults**”).

13. On November 19, 2024, CWB sent a letter to 1019 Ontario advising it wished to exit its banking relationship with 1019 Ontario and proposing to amend the Commitment Letter in certain respects, including an updated maturity date and the payment of an extension fee (the “**Amending Agreement**”). The proposed Amending Agreement preserved all of CWB’s rights under the Commitment Letter, including events of default, ability to demand repayment, and remedies. 1019 Ontario agreed to the Amending Agreement on November 29, 2024, four business days before it filed for CCAA protection.

14. On December 11, 2024, CWB made written demand for repayment of the Indebtedness and provided 1019 Ontario with notice of its intention to enforce CWB’s security pursuant to section 244 of the *Bankruptcy & Insolvency Act*, RSC, 1985 c B-3.

15. 1019 Ontario is in further default of the Commitment Letter for commencing the within proceedings.

#### **Necessity for the Appointment of an Interim Receiver**

16. Under its security documents, CWB is entitled to appoint a receiver or interim receiver.

17. CWB has lost confidence in 1019 Ontario and its ability to operate its business including the property subject to CWB’s security.

18. CWB has no confidence in the Debtors’ ability to restructure their affairs under the CCAA.

19. The appointment of an Interim Receiver is necessary to stabilize and preserve the value of the CWB’s collateral.

20. It is just or convenient to appoint an Interim Receiver in the present case.



21. KSV is qualified and prepared to act as Interim Receiver, if so appointed.

22. Such further and other grounds as the parties may advise.

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

23. The Nakevski Affidavit; and

24. Such further and other evidence as the parties may advise and this Honourable Court may permit.

December 12, 2024

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Lawyers for Canadian Western Bank

**TO: SERVICE LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.  
C-36, AS AMENDED**

Court File No. CV- 24-00098058-0000

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
ASHCROFT URBAN DEVELOPMENTS INC., 2067166 ONTARIO INC., 2139770  
ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES – LA PROMENADE INC.,  
2195186 ONTARIO INC, ASHCROFT HOMES – CAPITAL HALL INC., AND 1019883  
ONTARIO INC**

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***ONTARIO*  
SUPERIOR COURT OF JUSTICE**

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**NOTICE OF MOTION**  
(Returnable December 12, 2024)

---

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Lawyers for Canadian Western Bank

# TAB 2

Court File No. CV- 24-00098058-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

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PROMENADE INC., 2195186 ONTARIO INC, ASHCROFT HOMES – CAPITAL  
HALL INC., AND 1019883 ONTARIO INC.**

**Applicants**

**AFFIDAVIT OF ALEKSANDAR NAKEVSKI  
(Sworn December 11, 2024)**

I, Aleksandar Nakevski, of the City of Edmonton, in the Province of Alberta,  
MAKE OATH AND SAY:

1. I am AVP, Credit Risk Management, of Canadian Western Bank (“**CWB**”) and as such have personal knowledge of the matters deposed to in this Affidavit, except where otherwise stated. Where I have relied upon such information, I do verily believe such information to be true.
2. I have reviewed the business records maintained by CWB in respect of the matters at issue, which I believe were made in the ordinary and usual course of business, and where I do not have direct personal knowledge of matters deposed herein, my knowledge is derived from my review of the business records of CWB, relevant copies of which are attached to this my Affidavit.
3. I am authorized to make this Affidavit on behalf of CWB.

## **Background**

4. On December 5, 2024, Ashcroft Urban Developments Inc., 2067166 Ontario Inc., 2139770 Ontario Inc., 2265132 Ontario Inc., Ashcroft Homes - LA Promenade Inc., 2195186 Ontario Inc., Ashcroft Homes - Capital Hall Inc. , and 1019883 Ontario Inc. (“**1019 Ontario**” and, collectively, the “**Debtors**”) obtained an initial order (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (the “**CCAA**”) in the Ontario Superior Court of Justice (the “**Court**”) bearing court file no. CV-24-00098058-0000 (the “**CCAA Proceedings**”). A copy of the Initial Order is attached hereto as **Exhibit “A”**.

5. The CCAA Proceedings were brought without any notice to CWB. CWB only learned of the CCAA Proceedings on December 6, 2024, when counsel for ACM Advisors Ltd. sent email correspondence to me notifying me of the CCAA Proceedings.

6. On the date of this affidavit CWB delivered a demand letter and notice pursuant to Section 244 of the *Bankruptcy and Insolvency Act* RSC 1985, c B-3 (as amended, the “**BIA**”). CWB believes that the 10 day notice period set out in Section 244 ought to be waived in these circumstances.

7. CWB is the first secured creditor of 1019 Ontario. CWB has lost confidence in the Debtors and their ability to operate their business including the property subject to CWB’s security.

## **CWB Credit Facility**

8. Pursuant to a Commitment Letter dated March 18, 2022 (the “**Commitment Letter**”), CWB agreed to extend to 1019 Ontario a demand loan in the amount of

\$4,400,000.00 (the “**Demand Loan**”) to provide equity take out financing over real property known municipally as 18 Antares Drive Ottawa, ON and with a legal description of PIN 02626-0026 (LT) - PCL27-22, SEC NEPEAN-A RIDEAU FRONT; PT LT 27, CON A RIDEAU FRONT, PART 1 & 2 ,4R7847;T/W ROW PT 5, 4R7847 AS IN LT757172; S/T 1T408623, 1T409186,LT424426,LT424520,LT427435, 1T499796 NEPEAN; CITY OF OTTAWA;THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON (the “**Lands**”). A copy of the Commitment Letter is attached hereto as **Exhibit “B”**.

9. It is a term of the Demand Loan, among other things, that:
  - (a) the Demand Loan shall reach maturity the earlier of five (5) years, or the date payment is demanded as a result of a default;
  - (b) interest shall accrue at a rate of 4.38% per annum, calculated and compounded monthly;
  - (c) 1019 Ontario shall make monthly blended payments of principal and interest each in an amount to amortize the loan, at the interest rate, over a 25-year period, payable on the first day of each month; and
  - (d) 1019 Ontario shall pay legal costs of CWB on a solicitor-client basis, and all other reasonable out-of-pocket expenses.
10. CWB delivered a default notice to 1019 Ontario on August 16, 2024, advising of certain defaults under the Demand Letter (as described in further detail below).
11. The Commitment Letter and Demand Loan were amended pursuant to an amending letter dated November 19, 2024 (the “**Amending Letter**”). A copy of the Amending Letter

is attached as **Exhibit “C”**. The main material amendment created by the Amending Letter was to amend the maturity date to February 28, 2025. The Amendment Letter preserves CWB’s rights under the Commitment Letter, including events of default. The filing for CCAA protection is an event of default under the Commitment Letter.

12. 1019 Ontario Inc., Ashcroft Homes and Choo (each defined below) accepted the amendment on November 29, 2024.

### **Guarantees**

13. To secure all indebtedness owed by 1019 Ontario to CWB, including the Demand Loan, Ashcroft Homes Inc. (“**Ashcroft Homes**”) executed a Full Liability Guarantee dated April 19, 2022, whereby Ashcroft Homes unconditionally guaranteed and promised to pay the indebtedness of 1019 Ontario to CWB with interest thereon, and all costs, charges, and expenses which may be incurred by CWB in respect of the indebtedness on a solicitor and client indemnity basis (the “**Ashcroft Homes Guarantee**”). Ashcroft Homes is not a party to these CCAA Proceedings. A copy of the Ashcroft Homes Guarantee is attached hereto as **Exhibit “D”**.

14. To further secure all indebtedness owed by 1019 to CWB, including the Demand Loan, David Choo (“**Choo**”) executed a Full Liability Guarantee dated April 19, 2022, whereby Choo guaranteed unconditionally and promised to pay the indebtedness of 1019 Ontario to CWB with interest thereon, and all costs, charges, and expenses which may be incurred by CWB in respect of the indebtedness on a solicitor and his own client indemnity basis (the “**Choo Guarantee**”). A copy of the Choo Guarantee is attached hereto as **Exhibit “E”**.

15. I understand that Choo is the principal and controlling mind of the Debtors and that the Debtors are seeking approval of interim financing to be provided by him.

### **Security**

16. 1019 Ontario granted CWB the following security to secure the due payment of all present and future indebtedness and liabilities of 1019 Ontario to CWB:

- (a) a general security agreement in favour of CWB granting a security interest in all of its present and after-acquired property wherever situate and a floating charge over real property, a copy of which is attached hereto as **Exhibit “F”**;
- (b) a mortgage over the Lands dated April 19, 2022 in the principal amount of \$4,500,000.00 plus interest in the amount of 16% per annum (the “**Mortgage**”), registered at Land Registry Office # 4 (the “**Ontario Land Registry**”) as Registration No. OC2481152. A copy of the Mortgage is attached hereto as **Exhibit “G”**;
- (c) a Notice of Assignment of Rents – General dated April 19, 2022 in favour of CWB and registered at the Ontario Land Registry as Registration No. OC2481153 against the Lands, a copy of which is attached hereto as **Exhibit “H”**;
- (d) an Assignment of All Risks Insurance & General Liability and Fire Insurance dated April 19, 2022 in favour of CWB assigning all rights, title and interest of 1019 Ontario in respect of the insurance policy over the Lands to CWB, a copy of which is attached hereto as **Exhibit “I”**;



- (e) a Debt Service and Cost Overrun Agreement dated April 19, 2022 in favour of CWB, a copy of which is attached hereto as **Exhibit “J”**; and
  - (f) an Environmental Agreement and Indemnity in favour of CWB dated April 21, 2022 in respect of the Lands among other things, 1019 Ontario, Ashcroft Homes and Choo, jointly and severally undertook to indemnify CWB from and against any and all claims arising out of the failure of 1019 Ontario to perform any of its environmental obligations, a copy of which is attached hereto as **Exhibit “K”**.
17. An Ontario Land Registry parcel search for the Lands is attached as **Exhibit “L”**.
18. Attached as **Exhibit “M”** is a copy of a search of 1019 Ontario at the Ontario Personal Property Registry dated December 2, 2024.
19. To secure due payment and discharge of all present and future indebtedness and liabilities of 1019 Ontario to CWB, Ashcroft Homes granted or caused to be granted an Assignment and Postponement of Creditor’s Claims dated April 19, 2022 (the “**Ashcroft Homes Assignment and Postponement**”). A copy of the Ashcroft Homes Assignment and Postponement is attached hereto as **Exhibit “N”**.
20. To secure due payment and discharge of all present and future indebtedness and liabilities of 1019 Ontario to CWB, Choo granted or caused to be granted an Assignment and Postponement of Creditor’s Claims dated April 19, 2022 (“**Choo Assignment and Postponement**”). A copy of the Choo Assignment and Postponement is attached hereto as **Exhibit “O”**.

### **Default and Demand**

21. On August 16, 2024, CWB sent notice to 1019 Ontario (the “**Notice of Default**”) of defaults under the Commitment Letter consisting of: (i) failing to adhere to certain reporting requirements; and (ii) failing to make payment went due (the “**Defaults**”). A copy of the Notice of Default is attached hereto as **Exhibit “P”**.

22. On December 11, 2024, CWB issued a notice of default and demand for payment (the “**Demand**”) and notice of intention to enforce security to 1019 Ontario pursuant to s. 244 of the *Bankruptcy & Insolvency Act*, RSC, 1985 c B-3 (the “**Notice**”). Copies of the Demand and Notice are attached hereto as **Exhibit “Q”**. If necessary, CWB will bring a motion to lift the CCAA stay of proceedings *nunc pro tunc* in order to serve the Demand Notice.

### **The Indebtedness of 1019 Ontario**

23. As at December 11, 2024, there are amounts owed by 1019 Ontario to CWB, plus further amounts owed in respect of costs and expenses incurred by CWB including costs on a solicitor and own client full indemnity basis, plus further accruing interest, some particulars of which are as follows:

Demand Loan	
Principal:	\$4,117,195.82
Interest:	\$4,940.63
Amendment Fee:	\$100,000
Other Fees:	\$1,600.00
Legal Fees:	\$ 10,000
Per Diem:	\$494.06
<b>Total:</b>	<b>\$4,233,736.45</b>

(collectively, the “**Indebtedness**”)

24. A copy of the Payout Statement dated December 12, 2024 is attached hereto as **Exhibit “R”**.

### **Necessity for the Appointment of an Interim Receiver**

25. CWB does not support the continuation of the CCAA Proceedings and supports the appointment of an interim receiver over the Debtors.

26. Based on the Debtors approach to the CCAA Proceedings and the evidence served by other of the Debtors' secured creditors in advance of the Debtors' comeback motion, CWB has completely lost trust in the Debtors' management.

27. Further, the Amending Agreement was countersigned by 1019 Ontario on November 29, 2024. Meanwhile, several of the public office searches contained in its application record commencing these CCAA Proceedings were obtained on October 11, 2024, or October 16, 2024, over one month earlier (see exhibits A, D, E, F, and G of the affidavit of David Choo sworn on December 3, 2024). The Debtors gave no indication to CWB that they were considering commencing CCAA proceedings.

28. I am of the view that in order to best protect CWB's security including the Lands and preserve their value, the appointment of an interim receiver is necessary for two primary reasons.

29. First, the proposed CCAA proceeding will prejudice the value of CWB's collateral as compared to an interim receivership. The Debtors' initial order materials illustrate that the Debtors' have no tangible restructuring plan; no sale and investment solicitation process is contemplated in those materials, let alone previewed. There is no indication that the Debtors intend to bring forward a plan of arrangement or that any plan has any possibility of success. It appears that the Debtors' restructuring plan is to attempt an *ad hoc* restructuring of each Debtor, tied to no milestones other than the 14-week cash flow forecast. This is, in my view, a recipe for cost, uncertainty, and delay.

30. Any delay in refinancing CWB or marketing and selling the Lands risks further deteriorating CWB's collateral.

31. CWB does not believe there is currently any equity in the Lands. This negative equity position is only likely to worsen during a protracted CCAA process – which is in my view what will occur with an *ad hoc* restructuring –because the tenants of the Lands are related to the Debtors, whose ability to generate revenue is inextricably tied to the Debtors.

32. The Debtors' initial order materials estimate that there is \$557,366 of equity in the Lands, based on a February 2022 appraisal of \$5,810,000. The Debtors' do not state the valuation method used to reach this number, but CWB assumes it is an as-is market value.

33. CWB has obtained a recent appraisal of the Lands, by a national, well-known commercial property appraiser and real estate services firm (the "**2024 Appraisal**"). The 2024 Appraisal illustrates that the as-is market value of the Lands is materially less than the Debtors' historic appraisal, leaving the Lands in a net negative equity position. The appraised value of the Lands of course gets significantly worse in liquidation and "go dark" scenarios.

34. CWB will make the 2024 Appraisal available upon written request and subject to execution of a confidentiality agreement acceptable to CWB.

**Conclusion**

35. I swear this affidavit in support of the Notice of Motion of ACM Advisors Ltd. requesting that the Court lift the stay, terminate the CCAA Proceedings, appoint an interim receiver, and permit each lender to proceed with receivership of their individual properties within Ontario upon notice to the applicable stakeholders in accordance with the draft order found at Tab 3 of the Motion Record of ACM Advisors Ltd.

SWORN before me in Toronto, Ontario by )  
videoconference with the affiant at the City of )  
Edmonton, in the Province of Alberta, this 11<sup>th</sup> )  
day of December, 2024, in accordance with O. )  
Reg. 431/20, Administering Oath or )  
Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

A Commissioner for taking oaths, etc.  
**MATTHEW CRESSATTI**

Signed by:  
*Aleksandar Nakevski*  
D0570787E67F489...

**ALEKSANDAR NAKEVSKI**

This is Exhibit “A” referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

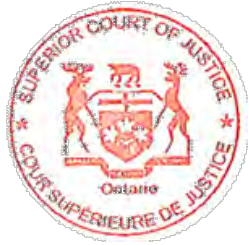
**MATTHEW CRESSATTI**

Court File No. CV-24-00098058-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR ) THURSDAY, THE 5TH  
JUSTICE MEW )  
DAY OF DECEMBER, 2024

**IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**



**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF ASHCROFT URBAN  
DEVELOPMENTS INC., 2067166 ONTARIO INC., 2139770  
ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT  
HOMES – LA PROMENADE INC., 2195186 ONTARIO INC,  
ASHCROFT HOMES – CAPITAL HALL INC., AND 1019883  
ONTARIO INC. (collectively the ‘Applicants’, and each, an  
"Applicant")**

**INITIAL ORDER**

**THIS APPLICATION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 161 Elgin Street, Ottawa, Ontario via videoconference.

**ON READING** the affidavit of DAVID CHOO sworn December 3, 2024 and the Exhibits thereto, and the Pre-Filing Report of Grant Thornton Limited (“GT”) as the proposed monitor dated December 3, 2024, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel to GT, and such other counsel that were present, and on reading the consent of GT to act as the monitor (in such capacity, the “**Monitor**”),

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application, the Application Record, and the Applicants' Factum is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

## **APPLICATION**

2. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

## **PLAN OF ARRANGEMENT**

3. **THIS COURT ORDERS** that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

## **POSSESSION OF PROPERTY AND OPERATIONS**

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, commissions, employee and pension benefits, vacation pay and employee expenses payable prior to, on or after the date of



this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges; and
- (c) some or all interest payments owing to secured lenders under their respective mortgages in accordance with the projections outlined in the cash-flows filed by the Applicants and otherwise approved by the Monitor.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied or to be supplied to any of the Applicants on or following the date of this Order.

7. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior

to the date of this Order but not required to be remitted until on or after the date of this Order, and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by any of the Applicants.

8. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

9. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA have the right to:

- (a) to dispose of redundant or non-material assets not exceeding \$20,000 in any one transaction or \$100,000 in the aggregate
- (b) close the sale of any residential unit to an arm's length third party for fair market value in the ordinary course of Business, subject to the approval of the Monitor; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

## **NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

10. **THIS COURT ORDERS** that until and including December 13, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants (or any of them) or the Monitor, or affecting the Business or the Property, except with the written consent of the relevant Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants (or any of them) or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

11. **THIS COURT ORDERS** that during the Stay Period, no Proceeding shall be commenced or continued against or in respect of or affecting the business or the property of David Choo, Manny DiFilippo, Envie Enterprises Inc, the David and Shanti Choo Family Trust 2016, Alavida Lifestyles Inc, and 1384274 Ontario Inc. (the "**Additional Stay Parties**") or against or affecting any of the Additional Stay Parties' current or future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, and including all proceeds thereof (the "**Additional Stay Parties' Property**") with respect to any guarantee, contribution or indemnity obligation, liability or claim in respect of or that relates to any agreement involving any of the Applicants or the obligations, liabilities and claims of and against any of the Applicants (collectively, the "**Related Claims**"), except with the written consent of the respective party, the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Additional Stay Parties or the Additional Stay Parties' Property in respect of the Related Claims are hereby stayed and suspended pending further Order of this Court.

## **NO EXERCISE OF RIGHTS OR REMEDIES**

12. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the applicable Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower an Applicant to carry on any

business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (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 RIGHTS**

13. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Applicants, except with the written consent of the relevant Applicant and the Monitor, or leave of this Court.

### **CONTINUATION OF SERVICES**

14. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with any of the Applicants 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 Business or the relevant Applicant, 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 Applicants or exercising any other remedy provided under the agreements or arrangements, and that each of the Applicants shall be entitled to the continued use of its current premises, 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 applicable Applicants in accordance with normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicant and the Monitor, or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

15. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or

licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

16. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

### **APPOINTMENT OF MONITOR**

17. **THIS COURT ORDERS** that GT is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

18. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

- (c) advise the Applicants in its preparation of the Applicants' cash flow statements;
- (d) advise the Applicants in its development of the Plan and any amendments to the Plan;
- (e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (h) perform such other duties as are required by this Order or by this Court from time to time.

19. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

20. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor 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 Monitor from any duty to report or make disclosure imposed by applicable

Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor'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.

21. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of an Applicant with information provided by the applicable Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the applicable Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

22. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its employees, advisors, and other representatives acting in such capacities shall incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

#### **APPOINTMENT OF FINANCIAL ADVISOR**

23. **THIS COURT ORDERS** that Hawco Peters and Associates Inc be appointed as financial advisor to the Applicants (the “**Financial Advisor**”) pursuant to the FA Engagement Agreement as exhibited to the supporting affidavit to the Application.

24. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Financial Advisor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the Financial Advisor and counsel for the Applicants on a bi-weekly basis or pursuant to such other arrangements agreed to between the Applicants and such parties, and, in addition, the

Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, the Financial Advisor and counsel to the Applicants, retainers in the amounts of up to \$100,000, respectively to be held by them as security for payment of their respective fees and disbursements outstanding from time to time

25. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

26. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Financial Advisor and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$200,000 as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor, the Financial Advisor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 28 to 30 hereof.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

27. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge (or, the "**Charge**") shall not be required, and that the Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

28. **THIS COURT ORDERS** that the Charge shall constitute a charge on the Property and such Charge shall rank in priority to all other security interests, trust, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, other than in respect of: (a) a secured lender of any Applicant in respect, and to the extent, of such lender's registered mortgage against the Property; and (b) any taxing authority in respect, and to the extent, of such authority's statutory charge against such Property.



29. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Charge unless the Applicants also obtain the prior written consent of the beneficiaries of the Charge, or further Order of this Court.

30. **THIS COURT ORDERS** that the Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants or any of them, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charge shall not create or be deemed to constitute a breach by the Applicants or any of them of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charge; and
- (c) the payments made by the Applicants pursuant to this Order, and the granting of the Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

31. **THIS COURT ORDERS** that the Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

## SERVICE AND NOTICE

32. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in The National Post a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

33. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List of the Ontario Superior Court of Justice in Toronto (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 Superior Court of Justice’s List website at <http://www.ontariocourts.ca/scj/practice/practice/regional-practise-directions/eservice-commercial/>) 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.doanegrantthornton.ca/service/advisory/creditor-updates/>] [Creditor updates | Doane Grant Thornton LLP](#)

34. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are 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 Applicants’ creditors or other interested parties at their respective addresses as last shown on the records of the Applicants 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**

35. **THIS COURT ORDERS** that any Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

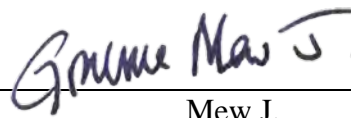
36. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant(s), the Business or the Property.

37. **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 Applicants, the Monitor and their respective 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

38. **THIS COURT ORDERS** that each of the Applicants and the Monitor 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 Monitor 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.

39. **THIS COURT ORDERS** that any interested party (including any Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

40. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

A handwritten signature in black ink, appearing to read "Gracie Maw J.", is written above a horizontal line.

Mew J.

Issuance on December 9, 2024

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED***

**AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC., 2067166 ONTARIO INC., 2139770 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES – LA PROMENADE, 2195186 ONTARIO INC., ASHCROFT HOMES – CAPITAL HALL INC., AND 1019883 ONTARIO INC.**

Court File No. CV-24-00098058-0000

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**

**PROCEEDING COMMENCED AT**  
**OTTAWA**

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**INITIAL ORDER**

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**MANN LAWYERS LLP**

300-11 Holland Avenue  
Ottawa ON K1Y 4S1

Alexander Bissonnette LSO# 71871D

alexander.bissonnette@mannlawyers.com

Tel: 613-722-1500

**BLUE ROCK LAW LLP**

705-215 9<sup>th</sup> Avenue  
Calgary, AB T2P 1K3

David Mann, K.C.

david.mann@bluerocklaw.com

Tel: 1-587-317-0643

Lawyers for the Applicants

This is Exhibit “B” referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

---

*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



March 18, 2022

**1019883 Ontario Inc.**  
18 Antares Drive  
Ottawa, ON K2A 1E9

*delivered via email to:*  
Steve McEwan  
Managing Director, Business Development  
CMLS Financial

**Attention:** Mr. David Choo

Dear Sir:

On the basis of the financial statements and other information provided by **1019883 Ontario Inc.** (the "Borrower"), and by **David Choo and Ashcroft Homes Inc.** (the "Guarantor(s)") in connection with your request for financing, **Canadian Western Bank** (the "Bank") has authorized the following loan(s) subject to the terms and conditions outlined in this Commitment Letter (the "Agreement").

1. **LOAN AMOUNT:**

1.1. Loan Segment (1): Demand Loan \$4,400,000.

Collectively referred to as "the Loans".

2. **PURPOSE OF LOAN:**

Amounts advanced by the Bank are to be used by the Borrower as follows:

2.1. Loan Segment (1): To provide equity take-out financing over property civically known as 18 Antares Drive, Ottawa, ON ("the Project").

3. **INTEREST RATE:**

Loans shall bear interest while outstanding before and after maturity and default at the following rates:

3.1. Loan Segment (1): The interest rate payable shall be a fixed annual rate, calculated and compounded monthly, not in advance which, subject to availability of funds, the Bank shall exercise its best efforts to obtain funds on a fixed rate basis acceptable to the Borrower and the Bank for the term selected. The following rates are provided for reference purposes only and are subject to fluctuations up to and including the date of drawdown.

<u>TERM</u>	<u>INTEREST RATE</u>	<u>INITIAL CHOICE OF TERM</u>
5 Years	4.38 %	5 YRS

Unless otherwise specified, all interest shall be payable without demand on the dates specified by the Bank and shall be calculated daily, compounded monthly. Overdue interest shall bear interest at the same rate.

4. **ADVANCES:**

4.1. Loan segment (1): Shall be advanced on a lump sum basis following satisfaction of the Conditions Precedent as set forth in Schedule "C" herein attached.

Plaza 1, 2000 Argentinia Road, Suite 101, Mississauga, ON L5N 1P7  
t. 289.998.2688 | F. 833.341.7556  
cwbank.com

5. **TERM AND LOAN MATURITY DATE:**

- 5.1. Loan Segment (1): The Loan is repayable in full, together with all interest, costs and charges, the earlier of 5 years (the "Loan Maturity Date") or the date payment is demanded as a result of default by the Borrower.

6. **REPAYMENT:**

- 6.1. Loan Segment (1): An interest adjustment shall be payable for the period from the date of advance to the first day of the month following the date of advance and shall be deducted from the amount of the advance. Thereafter, so long as the loan is not in default, the Borrower shall make monthly blended payments of principal and interest each in an amount sufficient to amortize the loan, at the interest rate, over a 25-year period, payable the first day of each month.

7. **PREPAYMENT:**

- 7.1. The Borrower may prepay the whole, but not part, of the sum unpaid principal balance under the loan(s) at any time, by payment of a prepayment charge equal to the greater of the following:
- (a) three (3) months interest calculated on the unpaid principal balance at the rate provided herein; or
  - (b) a prepayment charge equal to the Bank's Unwinding Costs.

8. **AVAILABILITY:**

- 8.1. Subject to satisfaction or waiver by the Bank of all conditions, the Loan(s) will be advanced in one lump sum.

9. **SECURITY AND SUPPORTING DOCUMENTS:**

The attached Schedule "A" forms part of this Agreement.

10. **INSURANCE:**

The attached Schedule "B" forms part of this Agreement.

- 10.1. Assignment of all risk (including flood and collapse), fire and theft replacement cost insurance satisfactory to the Bank covering all machinery, equipment, fixtures and building which shall contain the Standard Mortgage Clause approved by the Insurance Bureau of Canada. The policy shall contain comprehensive general Public Liability coverage of not less than \$5,000,000.

11. **CONDITIONS PRECEDENT TO DRAWDOWN:**

The attached Schedule "C" forms part of this Agreement.

12. **GENERAL CONDITIONS/EVENTS OF DEFAULT:**

The attached Schedule "D" forms part of this Agreement.

13. **REPORTING REQUIREMENTS:**

The attached Schedule "E" forms part of this Agreement.

14. **STANDARD LOAN TERMS & DEFINITIONS:**

The attached Schedule "F" forms part of this Agreement.



15. **FEES:**

- 15.1. The Bank acknowledges prior receipt of the sum of \$8,790 representing the non-refundable portion of the commitment fee. On acceptance of this Agreement by the Borrower, the balance of the commitment fee (\$8,810) shall be deemed to be fully earned and shall not be refundable under any circumstances. The Bank shall deduct the balance of the commitment fee from the loan advance unless otherwise directed by the Borrower.
- 15.2. The borrower shall pay an annual review fee of \$1,000 each year in conjunction with the annual review (based on the Borrower's fiscal yearend financial statements) to renew outstanding loans.
- 15.3. The Borrower shall pay a fee of \$150 per month for the late provision of annual Financial Statements/Reporting after expiry of 120 day period.

16. **INTEREST AND FEES:**

The Bank has underwritten the Loan to the Borrower on the basis that the interest rate and fees provided for in this letter will be paid to the Bank over the period from the date of acceptance of this letter to the Loan Maturity Date and that the Loan will be fully repaid by the Loan Maturity Date. The Borrower acknowledges to the Bank that unless the Loan Maturity Date has been extended by agreement between the Borrower and the Bank by the Loan Maturity Date, then the Bank is entitled to be compensated for:

- (i) loss of ability to earn additional fee income on the Loan principal after the Loan Maturity Date;
- (ii) loss of opportunity to reinvest the Loan funds at then current market rates after the Loan Maturity Date; and
- (iii) the increased risk to the Bank of the Loan being outstanding after the Loan Maturity Date;

17. **PARTIAL DISCHARGES:**

17.1. Shall not be permitted.

18. **COSTS:**

The cost of all appraisals and environmental reports, the legal costs of the Bank on a solicitor-client basis, costs of the Bank's insurance consultant and all other reasonable out-of-pocket expenses incurred in the approval and making of the Loan and the preparation, execution, delivery and registration of the Security and Supporting Documents (including the cost of delivering copies of any documents required by law to be given to the Borrower or any other party) or in the collection of any amount owing under the terms of the Loan shall be for the account of the Borrower and may be debited to advances to be made under the terms of the Loan. Until paid, all such costs and expenses shall bear interest at the rate described in Section 3 of this Agreement.

19. **ASSIGNMENT BY BORROWER:**

The Borrower shall not assign or encumber its rights and obligations under the Loan(s), this Agreement or the whole or any part of any advance to be made hereunder, without the prior written consent of the Bank.

20. **BANK'S COUNSEL:**

Legal work and documentation to be performed at the Borrower's expense through the Bank's counsel:

Schwarz Law Partners LLP  
1984 Yonge Street  
Toronto, ON M4S 1Z7

Tel: (416) 486-2040 ext. 223  
Fax: (416) 486-3325

Attn: Jayson Schwarz



21. **MATERIAL CHANGE:**

Acceptance of this Agreement by the Borrower provides full and sufficient acknowledgement that if, in the opinion of the Bank, any material adverse change in risk occurs, including without limiting the generality of the foregoing, any material adverse change in the financial condition of the Borrower, any obligation by the Bank to advance all or any portion of the loan may be withdrawn or cancelled at the sole discretion of the Bank, acting in a commercially reasonable manner.

22. **NON-MERGER:**

The terms and conditions set out herein shall not be superseded by nor merge in and shall survive the execution, delivery and/or registration of any instruments of security or evidences of indebtedness granted by the Borrower(s) and/or any Guarantor(s) hereafter, and the advancement of any funds by the Bank. In the event of a conflict between the security documents and the terms of this letter, the terms of the security documents shall govern.

24. **ACCOUNTING CHANGES:**

In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in the Commitment Letter, then the Borrower and the Bank agree to enter into negotiations in order to amend such provisions of the Commitment Letter so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as an amendment shall have been executed and delivered by the Borrower(s) to the Bank all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

Accounting Changes refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants, and all events including changes resulting from implementation of the International Financial Reporting Standards to the extent required by the Canadian Accounting Standards Board.

**ACCEPTANCE:**

To become effective, this Agreement must be accepted in writing by the Borrower and all Guarantor(s).

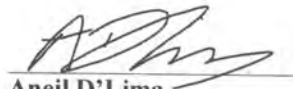
If you are in agreement with the above terms and conditions (which includes by reference, all of those terms and conditions set forth in all of the attached Schedules), please sign and return the enclosed copy of this letter. This Agreement will expire if not accepted by March 28, 2022.

The foregoing Agreement is offered in good faith and is to be held in strict confidence.

Yours truly,  
**CANADIAN WESTERN BANK**



**Brian Ballman**  
AVP Business Development



**Ancil D'Lima**  
AVP Commercial Portfolio Management



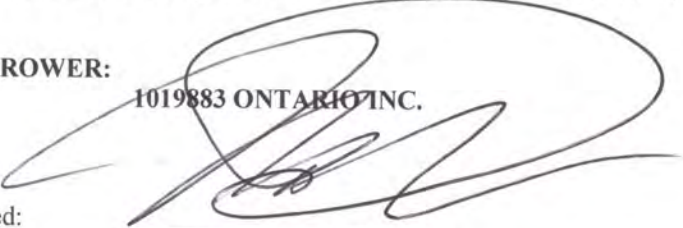
**ACKNOWLEDGEMENT:**

The Borrower certifies that all information provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

**BORROWER:**

1019883 ONTARIO INC.

Signed:

  
MANNY DIFILIPPO, CFO

Accepted:

March 21/22  
Date

We/I acknowledge receiving advice of the Agreement described above and agree our/my guarantee is binding even if the Bank changes or waives compliance with the terms of this Agreement.

**PERSONAL GUARANTOR:**

Signed:

\_\_\_\_\_  
David Choo

Accepted:

March 21/22  
Date

**CORPORATE GUARANTOR:**

ASHCROFT HOMES INC.

Signed:

  
MANNY DIFILIPPO, CFO

Accepted:

March 21/22  
Date

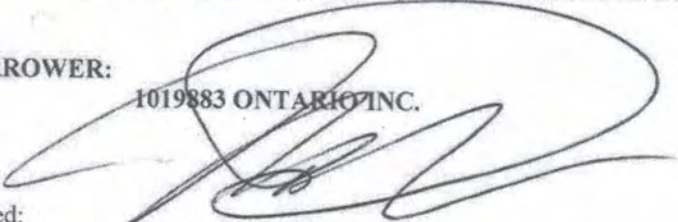
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The Borrower certifies that all information provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

**BORROWER:**

1019883 ONTARIO INC.

Signed:

  
MANNY DIFILIPPO, CFO

Accepted:

March 21/22  
Date

We/I acknowledge receiving advice of the Agreement described above and agree our/my guarantee is binding even if the Bank changes or waives compliance with the terms of this Agreement.

**PERSONAL GUARANTOR:**

Signed:

  
David Choo

Accepted:

March 21/22  
Date

**CORPORATE GUARANTOR:**

ASHCROFT HOMES INC.

Signed:


  
MANNY DIFILIPPO, CFO

Accepted:

March 21/22  
Date

**SCHEDULE "A" – TERM LOANS/MORTGAGES  
SECURITY**

All security documentation described herein must be prepared, executed and registered, as required by the Bank, prior to drawdown of any funds. The types of security, supporting resolutions and agreements to be provided by the Borrower to the Bank will be in form and content satisfactory to the Bank and/or its solicitors, and without restricting the generality of the foregoing, will include:

1. Commitment Letter;
2. General Security Agreement providing a first position perfected security interest in all of the Borrower's present and after acquired personal property;
3. Demand Collateral Mortgage First Charge in the amount of \$4,500,000 on real property described in Section 2 and owned by the Borrower(s). The mortgage document shall contain a "Due on Sale" clause, a Re-advancement clause, as well as a clause addressing the appointment of a Receiver Manager of the property in the event of default. Notwithstanding the amount noted above, this is not a commitment to finance;
4. Assignment of Rents and Leases;
5. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by David Choo;
6. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by Ashcroft Homes Inc.;
7. Assignment and Postponement of Creditor's Claim provided by David Choo;
8. Assignment and Postponement of Creditor's Claim provided by Ashcroft Homes Inc.;
9. Debt Service Agreement signed by all principals and guarantors;
10. ~~Creditor Life Insurance/Waiver (to be offered by CWB for acceptance or waiver);~~ 
11. Unconditional and Unlimited Environmental Agreement and Indemnity (Form 1164) executed by the Borrower and Guarantor(s);
12. Assignment of all risk Casualty and Liability insurance as set out under "Insurance", of the Agreement;
13. such of the following supporting documents as may be required by the Bank's solicitors:
  - (i) satisfactory Real Property Report/Surveyor's Certificate with respect to the mortgaged property previously described in Section 2;
  - (ii) satisfactory Zoning or Building Memorandum, or Letter from applicable Zoning official (Compliance Certificate), from the applicable municipal authority;
  - (iii) Tax Certificate showing all property taxes and charges paid or a holdback sufficient to pay taxes when due;
  - (iv) standard form documents relating to authorization of the borrowing and operation of the loan account;
  - (v) Statutory Declaration from the Borrower(s) or the Officer or an officer of the Borrower as to residency, title, use of premises, actions or claims and such other matters as Canadian Western Bank's counsel may advise;
  - (vi) opinion of the Borrower's counsel on the security and supporting documents and title to the Property.
14. such additional security instruments, assurances and supporting documents (including legal opinion of the Borrower's solicitor) as the Bank may deem necessary or advisable for the purpose of obtaining and perfecting the foregoing security.

The Borrower(s) and Guarantor(s) acknowledge and agree(s) to give the Bank other reasonable documents, assurances, information and covenants as the solicitors for the Bank may reasonably require with regard to the loan or the security documents to be given hereunder.

**SCHEDULE "B" – TERM LOANS/MORTGAGES**

**INSURANCE**

1. All policies must show every Borrower as a named insured.
2. All policies covering physical loss or damage (that is, property, builders risk and boiler and machinery insurance) must be on a full replacement cost basis and:
  - (a) provide coverage for all risks of physical loss or damage, including earthquake, flood, sewer back-up and collapse;
  - (b) include insurance on the foundation and all parts below ground level;
  - (c) provide in case of destruction:
    - (i) that reconstruction will not be limited to "on the same or an adjacent site";
    - (ii) coverage for increased costs of reconstruction through by-law and code changes and demolition and debris removal for damaged and undamaged property and resultant loss of income;
  - (d) either contain a stated amount co-insurance clause or not be subject to co-insurance.
3. The Bank is to be shown both as mortgagee and loss payee under all policies covering physical loss or damage. Loss is to be payable using this wording:

"CANADIAN WESTERN BANK, Plaza 1, Suite 101, 2000 Argentia Road, Mississauga, ON L5N 1P7 as first mortgagee and loss payee."



## SCHEDULE "C" – TERM LOANS/MORTGAGES

### CONDITIONS PRECEDENT TO DRAWDOWN

The following conditions must be fulfilled prior to the Bank having any obligations to make any drawdown:

1. the Bank shall be satisfied with the business assets and financial condition of the Borrower and Guarantor(s) and all security documentation and supporting agreements and documents must be completed in a form satisfactory to the Bank and its solicitors, and must be executed and registered as appropriate, and the Bank shall have received a solicitor's letter of opinion with respect to same; *(satisfied)*
2. the Bank shall be provided with an appraisal of the subject lands confirming a market value of not less than \$5,810,000 (using the Income Approach and Direct Comparison methods of valuation). Such appraisal shall be prepared by an appraiser approved by the Bank and shall be used for lending purposes. The appraisal is to be addressed to the Bank and shall be at the cost of the Borrower(s); *(satisfied)*
3. if the appraisal is not addressed to the Bank, a transmittal letter is to be obtained; *(satisfied)*
4. the Borrower(s) shall cause to be conducted environmental assessments, audit and other inspections with respect to the mortgaged property and the business of the Borrower(s) and the obligation of the Bank to advance funds hereunder shall be subject to the Bank receiving reports prepared by a Bank approved Environmental Consultant, satisfactory to the Bank in its sole discretion and subject to the Bank being satisfied in its sole discretion that there are no environmental matters that are adverse to the value of the mortgage property or the business of the Borrower(s); *(satisfied)*
5. if the environmental assessment is not addressed to the Bank, the Borrower is to request a transmittal letter be supplied on a best effort basis;
6. satisfactory review by the Bank of an engineer's report on the subject property with respect to the structural condition of the building, and addresses the current condition of the roof, estimated remaining life, current maintenance program in place and the level of deferred maintenance if any; *(satisfied)*
7. if the engineer's report is not addressed to the Bank, the Borrower is to request a transmittal letter be supplied on a best effort basis;
8. satisfactory review by the Bank of the Borrower's financial statements and credit reports; *(satisfied)*
9. signed personal net worth statement from David Choo on the Bank's standard form. In addition, the borrower is to substantiate their personal net worth by providing the Bank with verification of ownership in personal real estate (title search, utility bills, or other), bank/investment statements, T1 General, Notice of Assessment, etc.;
10. satisfactory review of the personal guarantor(s) credit bureau; *(satisfied)*
11. provision of copies of all addendums to leases and current rent roll for the Project;
12. receipt and satisfactory review of the executed lease agreements by the Bank's solicitor for Ashcroft Homes Inc. and Alavida Lifestyles Inc.;
13. share registries or Schedule 50's for the Borrower and corporate guarantor(s);
14. The bank is to confirm ownership of a sample of entities under Ashcroft Group of Companies by way of collecting corporate searches and share registries of the Bank's choosing;
15. the Bank shall be satisfied as to the zoning of the Project and the availability of all municipal and regulatory permits and approvals required for the operation of the Project;
16. any participation by way of equity, shareholders' loan, or other cash injection required under the terms of this agreement must be in place;
17. the Bank will require two (2) full business days prior written notice of disbursement.

**SCHEDULE "D" – TERM LOANS/MORTGAGES**

**GENERAL CONDITIONS**

The Borrower agrees:

1. no Event of Default has occurred and is continuing;
2. the Loan Maturity Date has not occurred;
3. the conditions of this Agreement and of all previous advances have been satisfied or waived;
4. the loan shall be advanced by April 30, 2022 unless otherwise extended by the Bank;
5. to maintain a "Debt Service Coverage Ratio" of not less than 1.25x at all times;

the "Debt Service Coverage Ratio" is defined as:  
*Net Operating Income (NOI) / Total Annual Loan Payments*

NOI is defined as:  
*Gross Lease Income*  
*Less: Vacancy Rate (to be the greater of 5% or actual vacancy)*  
*= Effective Gross Income (EGI)*  
*Less: Unallocated Operating Expenses (based on actual vacancy)*  
*Less: 2% Structural and Maintenance Reserve*  
*=NOI*

6. no other loans may be secured against the Project, except the Subordinate Mortgages satisfactory to the Bank and, at the Borrower's option, a mortgage to secure Borrower's Equity contributed by the Guarantor or other affiliate of the Borrower, provided such mortgage is fully subordinated to the Security and supporting documents in accordance with a Priority and Standstill Agreement;
7. the Bank's opinions, approvals and decisions are in its sole discretion and are not subject to judicial review as to their reasonableness;
8. the Borrower shall remain the sole registered and beneficial owner of the Project until the Loan has been repaid in full, unless otherwise approved by the Bank;
9. to maintain adequate insurance on the property and acknowledges that failure to do so will hereby authorize the Bank to purchase insurance to protect the Bank's interest in the project to the value of the outstanding loan/mortgage. The Borrower authorizes the Bank to add the cost of said insurance to the loan/mortgage balance.

**EVENTS OF DEFAULT:**

1. The full amount of the indebtedness and liability of the Borrower then outstanding, together with accrued interest and any other charges then owing by the Borrower to the Bank shall, at the option of the Bank, forthwith be accelerated and be due and payable, and upon being declared to be due and payable, the securities shall immediately become enforceable and the Bank may proceed to realize and enforce the same upon the occurrence and during the continuance of any of the following events or circumstances (which events or circumstances are herein referred to as the "Events of Default"):
  - (a) the Borrower or any Guarantor fails to make due, whether on demand or at a fixed payment date, by acceleration or otherwise any payment of interest, principal, fees, commissions or other amounts payable to the Bank;
  - (b) there is a breach by the Borrower of any other term or condition contained in this Agreement or in any other agreement to which the Borrower and the Bank are parties and the Borrower has not corrected such breach within 15 days of notice having been provided to the Borrower;



- (c) any default occurs under the terms of any security to be provided in accordance with this Agreement or under any other credit, loan or security agreement to which the Borrower are party and the Borrower have not corrected such breach within 15 days of notice having been provided to the Borrower;
- (d) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other analogous proceedings are instituted by or against the Borrower and, if instituted against the Borrower are allowed against or consented to by the Borrower or are not dismissed or stayed within 60 days after such institution;
- (e) a receiver is appointed over any property of the Borrower or any judgement or order or any process of any court becomes enforceable against the Borrower or any property or any creditor takes possession of any property of the Borrower;
- (f) any adverse change occurs in the financial condition of the Borrower or any Guarantor;
- (g) any adverse change occurs in the environmental condition of:
  - (i) the Borrower(s), or either of them, or any Guarantor of the Borrower, or
  - (iii) any property, equipment, or business activities of the Borrower or any Guarantor of the Borrower.

**MISCELLANEOUS CONDITIONS:**

1. The rights and remedies of the Bank pursuant to this Agreement and the securities taken pursuant hereto are cumulative and not alternative, and not in substitution for any other rights, remedies, or power of the Bank.
2. Any failure or delay by the Bank to exercise, or exercise fully, its rights and remedies pursuant to this Agreement and the securities taken pursuant hereto shall not be construed as a waiver of such rights and remedies.
3. In the absence of a formal Loan Agreement being entered into, this Agreement shall continue in full force and effect and shall not merge in any securities provided by the Borrower to the Bank.
4. the Bank reserves the sole and absolute right to syndicate part or all of the loan facility contemplated herein, with various syndication partners with whom the Bank syndicates loans from time to time, on terms and conditions satisfactory to the Bank;
5. This Agreement and the security documentation to be provided by the Borrower pursuant hereto shall be construed in accordance with and governed by the laws of the Province of Ontario.



**SCHEDULE "E" – TERM LOANS/MORTGAGES**

**REPORTING REQUIREMENTS**

The Borrower agrees to provide the undernoted information to the Bank:

1. Notice to Reader annual financial statements of the Borrower and Guarantor(s) prepared by a firm of qualified professional accountants within 120 days of the borrower's fiscal year-end;
2. provision of copies of all addendums to leases and current rent roll for the Project on an annual basis;
3. annual updated personal net worth statements of Guarantors on the Canadian Western Bank forms duly completed and signed;
4. any further information, data, financial reports and records, accounting or banking statements, certificates, evidence of insurance and other assurances which the Bank may from time to time require in its sole discretion, acting reasonably.





## SCHEDULE "F" – TERM LOANS/MORTGAGES

### SCHEDULE – STANDARD LOAN TERMS

#### ARTICLE 1 – GENERAL

- 1.1. **Interest Rate.** You will pay interest on each Loan at nominal rates per year at the rate specified in this Agreement.
- 1.2. **Floating rate of interest.** Each floating rate of interest provided for under this Agreement will change automatically, without notice, whenever the Bank's Prime Rate or the U.S. Base Rate, as the case may be, changes.
- 1.3. **Payment of interest.** Interest is calculated on the daily balance of the Loan at the end of each day. Interest is due once a month, unless the Agreement states otherwise. Unless you have made other arrangements with us, we will automatically debit your Operating Account for interest amounts owing. If your Operating Account is in overdraft and you do not deposit to the account an amount equal to the monthly interest payment, the effect is that we will be charging interest on overdue interest (which is known as compounding). Unpaid interest continues to compound whether or not we have demanded payment from you or started a legal action, or get judgment, against you.
- 1.4. **Fees.** You will pay the Bank's fees for the Loans as outlined in the Agreement. You will also reimburse us for all reasonable fees (including legal fees on a solicitor and his own client basis) and out-of-pocket expenses incurred in registering any security, and in enforcing our rights under this Agreement or any security. We will automatically debit your Operating Account for fee amounts owing.
- 1.5. **Our rights re demand Loans.** We believe that the banker-customer relationship is based on mutual trust and respect. It is important for us to know all the relevant information (whether good or bad) about your business. Canadian Western Bank is itself a business. Managing risks and monitoring our customers' ability to repay is critical to us. We can only continue to lend when we feel that we are likely to be repaid. As a result, if you do something that jeopardizes that relationship, or if we no longer feel that you are likely to repay all amounts borrowed, we may have to act. We may decide to act, for example, because of something you have done, information we receive about your business, or changes to the economy that affect your business. Some of the actions that we may decide to take include requiring you to give us more financial information, negotiating a change in the interest rate or fees, or asking you to get further accounting assistance, put more cash into the business, provide more security, or produce a satisfactory business plan. It is important to us that your business succeeds. We may demand immediate repayment of any outstanding amounts under any demand Loan. We may also, at any time and for any cause, cancel the unused portion of any demand Loan.
- 1.6. **Payments.** If any payment is due on a day other than a Business Day, then the payment is due on the next Business Day.
- 1.7. **Applying money received.** If you have not made payments as required by this Agreement, or if you have failed to satisfy any term of this Agreement (or any other agreement you have that relates to this Agreement), or at any time before default but after we have given you appropriate notice, we may decide how to apply any money that we receive. This means that we may choose which Loan to apply the money against, or what mix of principal, interest, fees and overdue amounts within any Loan will be paid.
- 1.8. **Information requirements.** We may from time to time reasonably require you to provide further information about your business. We may require information from you to be in a form acceptable to us.
- 1.9. **Insurance.** You will keep all our business assets and property insured (to the full insurable value) against loss or damage by fire and all other risks usual for property such as yours (plus for any other risks we may reasonably require). If we request, these policies will include a loss payee clause (and if you are giving us mortgage security, a Standard Mortgagee Clause). As further security, you assign all insurance proceeds to us. If we ask, you will give us either the policies themselves or adequate evidence of their existence. If your insurance coverage for any reason stops, we may (but do not have to) insure the property. We will automatically debit your Operating Account for this amount. In the event there are no funds on deposit, we may add the insurance cost to your Loan. Finally, you will notify us immediately of any loss or damage to the property.
- 1.10. **Environmental Matters.** You will carry on your business, and maintain your assets and property, in accordance with all applicable environmental laws and regulations. If (a) there is any release, deposit, discharge or disposal of pollutants of any sort (collectively, a "Discharge") in connection with either your business or your property, and we pay any fines or for any clean-up, or (b) we suffer any loss or damage as a result of any Discharge, you will reimburse the Bank, its directors, officers, employees and agents for any and all losses, damages, fines, costs and other amounts (including amounts spent preparing any necessary environmental assessment or other reports, or defending any lawsuits) that result. If we ask, you will defend any lawsuits, investigations or prosecutions brought against the Bank or any of its directors, officers, employees and agents in connection with any Discharge. Your obligation to us under this section continues even after all Loans have been repaid and this Agreement has terminated.
- 1.11. **Consent to release information.** We may from time to time give any loan or other information about you to, or receive such information from, (a) any financial institution, credit reporting agency, rating agency or credit bureau, (b) any person, firm or corporation with whom you may have or propose to have financial dealings, and (c) any person, firm or corporation in connection with any dealings you have or propose to have with us. You agree that we may use that information to establish and maintain your relationship with us and offer any services as permitted by law, including services and products offered by our subsidiaries when it is considered that this may be suitable to you.
- 1.12. **Proof of debt.** This Agreement provides the proof, between the Bank and you, of the loans made available to you. There may be times when the type of loan you have requires you to sign additional documents. Throughout the time that we provide you loans under this Agreement, our loan accounting records will provide complete proof of all terms and conditions of your loan (such as principal loan balances, interest calculations, and payment dates).
- 1.13. **Renewals of this Agreement.** This Agreement will remain in effect for your Loans for as long as they remain unchanged. If there are no changes to the Loans this Agreement will continue to apply, and you will not need to sign anything further. If there are any changes, we will provide you with either an amending agreement, or a new replacement Letter, for you to sign.
- 1.14. **Confidentiality.** The terms of this Agreement are confidential between you and the Bank. You therefore agree not to disclose the contents of this Agreement to anyone except your professional advisors and where required by law.

A handwritten signature in black ink, appearing to be a stylized 'S' or similar character.

1.15. **Pre-conditions.** You may use the Loans granted to you under this Agreement only if:

- (a) we have received properly signed copies of all documentation that we may require in connection with the operation of your accounts and your ability to borrow and give security;
- (b) all the required security has been received and registered to our satisfaction;
- (c) any special provisions or conditions set forth in the Agreement have been complied with; and
- (d) if applicable, you have given us the required number of days notice for a drawing under a Loan.

1.16. **Notices.** We may give you any notice in person or by telephone, or by letter that is sent either by fax or by mail.

1.17. **Non-Revolving Loans.** The following terms apply to each Non-Revolving Loan:

(a) **Non-revolving Loans.** Unless otherwise stated in the Agreement, any principal payment made permanently reduces the available Loan Amount. Any payment we receive is applied first to overdue interest, then to current interest owing, then to overdue principal, then to any fees and charges owing, and finally to current principal.

(b) **Floating Rate Non-Revolving Loans.** Floating Rate Loans may have either (i) blended payments or (ii) payments of fixed principal amounts, plus interest as described below:

(i) **Blended payments.** If you have a Floating Rate Loan that has blended payments, the amount of your monthly payment is fixed for the term of the loan, but the interest rate varies with changes in the Prime Rate or U.S. Base Rate (as the case may be). If the Prime Rate or U.S. Base Rate during any month is lower than what the rate was at the outset, you may end up paying off the loan before the scheduled end date. If, however, the Prime Rate or U.S. Base Rate is higher than what it was at the outset, the amount of principal that is paid off is reduced. As a result, you may end up still owing principal at the end of the term because of these changes in the Prime Rate or U.S. Base Rate. We will advise you from time to time of any changes in the blended payment necessary to maintain the original amortization period, should we chose to do so.

(ii) **Payments of fixed principal plus interest.** If you have a Floating Rate Loan that has regular principal payments, plus interest, the principal payment amount of your Loan is due on the payment date specified in the Agreement. Although the principal payment amount is fixed, your interest payment will usually be different each month, for at least one and possibly more reasons, namely: the reducing principal balance of your loan, the number of days in the month, and changes to the Prime Rate or U.S. Base Rate (as the case may be).

(c) **Demand of Fixed Rate Term.** If you have a Fixed Rate Term Loan and we make demand for payment, you will owe us (i) all outstanding principal, (ii) interest, (iii) any other amount due under this Agreement, and (iv) a prepayment charge. The prepayment charge is equal to the greater of three (3) months interest calculated on the unpaid balance at the rate authorized or the Bank's Unwinding Costs.

**ARTICLE 2 – DEFINITIONS**

2.1. **Definitions.** In this Agreement, the following terms have the following meanings:

*“Agreement”* means the letter agreement between you and Canadian Western Bank to which this Schedule and any other Schedules are attached.

*“Business Day”* means any day (other than a Saturday or a Sunday) that the CWB Branch/Centre is open for business.

*“Cash Collateral Account”* means funds on deposit held by the Bank in an interest bearing account pending satisfaction of certain terms and/or conditions.

*“Customer Automated Funds Transfer (CAFT)”* is a WEB based service that provides non-personal customers the ability to make multiple electronic transactions for purposes of direct deposit for payroll or direct payment of accounts payable.

*“CWB Branch/Centre”* means the Canadian Western Bank branch or banking centre noted on the first page of this Agreement, as changed from time to time by agreement between the parties.

*“Demand Non-Revolving Loan”* means an installment loan that is payable upon demand. Such a Loan may be either at a fixed or a floating rate of interest.

*“Fixed Rate Loan”* means any loan drawn down, converted or extended under a Loan at an interest rate which was fixed for a term, instead of referenced to a floating rate such as the Prime Rate or U.S. Base Rate, at the time of such drawdown, conversion or extension.

*“Intangibles”* means assets of the business that have no value in themselves but represent value. They include such things as copyright, goodwill, patents and trademarks; franchises, licenses, leases, research and development costs, and deferred development costs.

*“Lease-Up Reserve”* means the amount of the Loan that is funded into a Cash Collateral Account pending lease-up of the Project in accordance with the Loan authorization.

*“Letter of Credit”* or *“L/C”* means a documentary or stand-by Letter of Credit, a Letter of Guarantee, or a similar instrument in form and substance satisfactory to us.

*“Lien”* includes a mortgage, charge, lien, security interest or encumbrance of any sort on an asset, and includes conditional sales contracts, title retention agreements, capital trusts and capital leases.

*“Loan”* means any loan segment referred to in the Agreement and if there are two or more segments, *“Loan”* includes reference to each segment.

*“Loan Amount”* of any Loan means the amount specified in the Agreement and if there are two or more segments, *“Loan Amount”* includes reference to each segment.

*“Loan Maturity Date”* means the date the loan is to be repaid or extended by for further term, at the option of the Bank.

*“Mandatory Capital Expenditures”* means net capital expenditures incurred by you not financed by long term debt. Net capital expenditures means all capitalized fixed asset purchases less fixed asset sales.

*“Normal Course Lien”* means a Lien that (a) arises by operation of law or in the ordinary course of business as a result of owning any such asset (but does not include a Lien given to another creditor or to secure debts owed to that Loan) and (b) taken together with all other Normal Course Liens, does not materially affect the value of the asset or its use in the business.

*“Operating Account”* means the account that you normally use for the day-to-day cash needs of your business, and may be either or both of a Canadian dollar and a U.S. dollar account.

*“Postponed Debt”* means any debt owed by you that has been formally postponed to the Bank.

*“Prime Rate”* means the variable reference rate of interest per year declared by the Bank from time to time to be its Prime rate for Canadian dollar loans made by the Bank in Canada.

*“Principal Sum”* means the loan balance outstanding.

*“Priority Claims”* means priorities that are created when a borrower does not remit monies due for Income Tax, Workers Compensation, Canada Pension Plan, Employment Insurance, GST, Provincial Sales Tax, wage claims including unpaid holiday entitlement, unpaid utility bills and arrears of rent for business premises. These are considered to be deemed trust and rank in priority to all security interests.

*“Purchase Money Lien”* means a Lien incurred in the ordinary course of business only to secure the purchase price of an asset, or to secure debt used only to finance the purchase of the asset.

*“Shareholders’ Equity”* means paid-in capital, retained earnings and attributed or contributed surplus.

*“Standard Overdraft Rate”* means the variable reference interest rate per year declared by the Bank from time to time to be its standard overdraft rate on overdrafts in Canadian or U.S. dollar accounts maintained with the Bank in Canada.

*“Tangible Net Worth”* means the total Shareholders’ Equity, minus (a) amounts due from/investments in related parties, and the value of all intangibles, plus (b) all postponed debt.

*“Unwinding Costs”* means the costs the Bank incurs when a fixed rate loan is paid out early. The unwinding costs are based on an interest rate differential between the loan rate and the bid side yield for Government of Canada securities with the same maturity as the loan, for the remaining term of the loan at the time of repayment.

*“U.S. Base Rate”* means the variable reference rate of interest per year as declared by the Bank from time to time to be its base rate for U.S. dollar loans made by the Bank in Canada.

This is Exhibit "C" referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



November 19, 2024

**1019883 Ontario Inc.**  
102-18 Antares Dr  
Ottawa, Ontario K2E 1A9

**Attention: Mr. David Choo**

Re: 1019883 Ontario Inc. (the "Borrower"), Ashcroft Homes Inc. and Mr. David Choo (collectively, the "Guarantors") – Indebtedness to Canadian Western Bank ("CWB" or the "Bank").

The Borrower was noted in breach on August 16, 2024 of the Original Agreement as set out under the Commitment Letter dated March 18, 2022.

Based upon this, and other concerns, the Bank has decided to exit its banking relationship with the Borrower. Accordingly, we hereby advise the Borrowers to make arrangements to repay the Borrowers' indebtedness to the Bank in full by February 28, 2025 and that you confirm by no later than January 31, 2025 that such arrangements have been made and provide all supporting documentation for such arrangements including any and all term sheets or offers to refinance in a form and content satisfactory to the Bank.

It is a condition of the Bank providing the Borrower with this period of time in which to obtain alternate financing, that the Borrower shall continue making payments to the credit facilities in accordance with the Commitment Letter dated March 18, 2022 and that the Borrower otherwise complies with the terms and conditions of the Borrowers' agreements with CWB, until the Bank is repaid in full (including all principal, interest, fees, and costs).

Prior to making payment of the outstanding indebtedness owing to CWB, you should confirm with CWB the exact amount that is due and owing at that time.

This is not a demand for payment, and it is not to be considered as a demand for payment. However, CWB reserves the right, at any time hereafter, to demand payment in its sole discretion.

The Bank will also be making the following amendments to the original Agreement

3. **TERM AND LOAN MATURITY DATE:**

Section 5 of the Original Agreement shall be amended as follows:

5.1. Loan Segment (1) shall mature on February 28, 2025.

5. **GENERAL CONDITIONS:**

The following will be added to Schedule D of the Original Agreement:

- 10. to provide evidence of a Term Sheet/non-binding Letter of Intent by December 31, 2024.
- 11. to provide evidence of Committed Terms and/or binding Letter of Intent by January 31, 2025.

Suite 3000, 10303 Jasper Avenue, Edmonton, AB T5J 3X6  
t. 780.423.8888 | F. 780.423.8897  
cwb.com

6. **REPORTING REQUIREMENTS:**

The following will be added to Schedule E of the Original Agreement:

- 12.7. Monthly updated report on debt delinquencies and processes.
- 12.8. Monthly updated bank statement for all banking accounts under 1019883 Ontario Inc at CIBC.

7. **FEES:**

The following will be added to Section 15 of the Original Agreement:

- 15.4. The Borrower shall pay a \$100,000 extension fee with up to \$50,000 refundable if the following conditions are met:
  - \$50,000 refundable if payout is achieved by December 31, 2024 or;
  - \$25,000 refundable if payout is achieved by February 28, 2025.
- 15.5. The Borrower shall pay a late reporting fee of \$1000 per report per day.

**ACCEPTANCE:**

To become effective, this Agreement must be accepted in writing by the Borrower and all Guarantors.

If you are in agreement with the above terms and conditions (which includes by reference, all of those terms and conditions set forth in all of the attached Schedules), please sign and return the enclosed copy of the this letter. This Agreement will expire if not accepted by November 29, 2024.

Yours truly,

**CANADIAN WESTERN BANK**

*shamu*

\_\_\_\_\_  
Brandon Shamu  
Manager, SAMU

*Aleksandar Nakevski*

\_\_\_\_\_  
Aleksandar Nakevski  
AVP, Credit Risk Management



**ACKNOWLEDGEMENT:**

The Borrower certifies that all information provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement.

**BORROWER:**

1019883 Ontario Inc.

Signed   
DAVID CHOO

Date NOV 29/24

**PERSONAL GUARANTOR:**


David Choo

Signed   
DAVID CHOO

Date NOV 29/24

**CORPORATE GUARANTOR:**

Ashcroft Homes Inc.

Signed   
DAVID CHOO

Date NOV 29/24

This is Exhibit “D” referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

*Matthew Cressatti*

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Commissioner for Taking Affidavits (or as may be)

**MATTHEW CRESSATTI**



## FULL LIABILITY GUARANTEE

For value received the undersigned ("Guarantor") hereby guarantees to CANADIAN WESTERN BANK ("Bank") payment, forthwith after demand made therefor as hereinafter provided, of all indebtedness and liability (present and future, direct or indirect, absolute or contingent, matured or not) of 1019883 Ontario Inc.

\_\_\_\_\_ ("Customer") to the Bank whether arising from agreement or dealings between the Bank and the Customer or from agreement or dealings between the Bank and any third person by which the Customer now is or hereafter may become indebted or liable to the Bank or however otherwise arising and whether the Customer be bound alone or with another or others and whether as principal or surety or guarantor; and the Guarantor further agrees that:

1. If more than one Guarantor executes this instrument the provisions hereof shall be read with all grammatical changes thereby rendered necessary and each reference to the Guarantor shall include the undersigned and each and every one of them severally and this guarantee and all covenants and agreements herein contained shall be deemed to be joint and several. This instrument shall be read with all grammatical changes made necessary by the Guarantor's or Customer's gender.
2. The Bank may increase, reduce, renew, extend, discontinue or otherwise vary the Customer's credit, grant time, renewals, extensions, releases and discharges to, take and give up securities (which may include other guarantees), and otherwise deal with the Customer and other parties and securities as the Bank may see fit, and may apply all monies received from the Customer or others or from the sale or other disposal of security upon such part of the Customer's liability as the Bank may think best, without prejudice to or in any way limiting or lessening the liability of the Guarantor under this guarantee. The Guarantor's obligation to pay under this guarantee shall not be limited or reduced as a result of the termination, invalidity or unenforceability of any right of the Bank against the Customer or any other party (including other guarantors) for any cause whatsoever.
3. This guarantee shall be a continuing security for payment by the Customer to the Bank of all the indebtedness and liability aforesaid; provided that the Guarantor may determine his further liability under this guarantee by 30 days written notice given to the branch of the Bank at which this guarantee is held but, if such notice be given, this guarantee shall apply and extend to any indebtedness or liability of the Customer to the Bank incurred prior to the expiration of 30 days from the date of receipt of such notice by the said branch of the Bank.
4. The Bank shall not be bound to exhaust its recourse against the Customer or other parties or the securities that it may hold before being entitled to payment from the Guarantor under this guarantee.
5. Any loss of or in respect of securities received by the Bank from the Customer or others, whether occasioned through the fault of the Bank or otherwise, shall not discharge or limit or lessen the liability of the Guarantor under this guarantee.
6. Any change or changes in the name of the Customer, or, if the Customer is a partnership, any change or changes in the membership of the Customer's firm by death or by the retirement of one or more of the partners or by the introduction of one or more new partners or otherwise, shall not affect or in any way limit or lessen the liability of the Guarantor under this guarantee and this guarantee shall extend to the person, firm or corporation acquiring or from time to time carrying on the business of the Customer.
7. All monies, advances, renewals and credits borrowed or obtained from the Bank shall be deemed to form part of the indebtedness and liabilities hereby guaranteed, notwithstanding any incapacity, disability, limitation of status or lack of power of the Customer or the directors, partners or agents thereof, or that the Customer may not be a legal entity, or any defect in the borrowing or obtaining of such money, advances, renewals or credits; and any amount which may not be recoverable from the Guarantor on the footing of a guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and it shall be paid to the Bank after demand therefor by the Bank.
8. Any account settled or stated by or between the Bank and the Customer shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Customer to the Bank is in fact so due.
9. The Guarantor agrees not to assert any right of contribution against any other guarantor until the customer's indebtedness and liabilities have been paid in full. If the Bank should receive from the Guarantor a payment in full or on account of the indebtedness or liability under this guarantee, all rights of subrogation arising therefrom shall be postponed and the Guarantor shall not be entitled to claim repayment against the Customer or the Customer's estate until the Bank's claims against the Customer have been paid in full; and in the case of liquidation, winding up or bankruptcy of the Customer (whether voluntary or compulsory) or in the event that the Customer shall make a bulk sale of any of the Customer's assets within the bulk transfer provisions of any applicable legislations, or shall make any compromise with creditors or scheme of

arrangement, the Bank shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue to be liable, up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing to the Bank by the Customer. In the event of the valuation by the Bank of any of its securities and/or the retention of such securities by the Bank, such valuation and/or retention shall not, as between the Bank and the Guarantor, be considered as a purchase of such securities or as payment or satisfaction or reduction of the Customer's indebtedness or liabilities to the Bank, or any part thereof.

10. Any notice or demand which the Bank may wish to give may be served on the Guarantor either personally on him or his legal personal representative or, in the case of a corporation, on any officer or director of the corporation, or by sending the same registered mail in an envelope addressed to the last known address of the Guarantor as it appears on the Bank's records and the notice so sent shall be deemed to be received on the fifth business day following that on which it is mailed.
11. As security for the performance of the Guarantor's covenants herein and the payment of the present and future debts and liabilities of the Customer to the Bank, the Guarantor hereby grants to the Bank a security interest in all debts and liabilities, present and future, of the Customer to the Guarantor, all of which are hereby assigned by the Guarantor to the Bank and postponed to the present and future debts and liabilities of the Customer to the Bank. Any monies or other proceeds received by the Guarantor in respect of such debts and liabilities shall be received in trust for and forthwith paid over to the Bank, in whole, without in any way limiting or lessening the liability of the Guarantor hereunder. Notwithstanding anything to the contrary herein, the assignment and postponement contained in this paragraph 11 are intended to be and are independent of the remainder of this guarantee and may, at the option of The Bank, be severed therefrom. A notice of termination given by the Guarantor pursuant to paragraph 3 shall not terminate the provisions contained in this paragraph 11, which shall continue in full force and effect until released in writing by the Bank. The Guarantor hereby acknowledges receiving a copy of this guarantee and waives all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement filed or issued at any time in respect of this assignment.
12. The Guarantor shall be currently liable under this guarantee at any time for the full amount of the debts and liabilities of the Customer to the Bank then outstanding, provided that the Guarantor shall not be in default under or in breach of this guarantee unless and until the Bank has made demand upon the Guarantor hereunder and the Guarantor has failed to pay the amount demanded or otherwise failed to comply with such demand forthwith following receipt (or deemed receipt) of such demand. In the case of default the Bank may maintain an action upon this guarantee whether or not the Customer is joined therein or separate action is brought against the Customer or judgment obtained against him. The Bank's rights are cumulative and shall not be exhausted by the exercise of any of the Bank's rights hereunder or otherwise against the Guarantor or by any successive actions until and unless all indebtedness and liability hereby guaranteed has been paid and each of the Guarantor's obligations under the guarantee has been fully performed.
13. The Guarantor shall pay to the Bank on demand (in addition to all debts and liabilities of the Customer hereby guaranteed) all costs, charges and expenses (including, without limitation, lawyer's fees as between solicitor and his own client on a full indemnity basis) incurred by the Bank for the preparation, execution and perfection and enforcement of this guarantee and of any securities collateral thereto, together with interest thereon, both before and after demand, default and judgment, calculated from the date of payment by the Bank of each such cost, charge and expense until payment by the Guarantor hereunder, at a rate per annum equal to 3% above the rate published by the Bank from time to time as the Bank's prime lending rate. A statement signed by any officer of the Bank confirming the Bank's prime lending rate at any time or times shall be conclusive evidence thereof for all purposes under this guarantee.
14. This instrument is in addition and without prejudice to any other securities of any kind including any other guarantees, whether or not in the same form as this instrument, now or hereafter held by the Bank. Without limiting the generality of the foregoing, all limits and evidence of liability pursuant to any guarantee now or hereafter held by the Bank shall be cumulative.
15. There are no representations, warranties, collateral agreements or conditions with respect to this guarantee or affecting the Guarantor's liability hereunder other than as contained herein. Without restricting the generality of the foregoing, this guarantee shall be operative and binding upon every signatory hereto notwithstanding the non-execution hereof by any other proposed or intended signatory or signatories.


16. This instrument shall be construed in accordance with the laws of Ontario, and the Guarantor agrees that any legal suit, action or proceedings arising out of or relating to this instrument may be instituted in the courts of such province or territory and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the said courts and acknowledges their competence and agrees to be bound by any judgment thereof, provided that nothing herein shall limit the Bank's right to bring proceedings against the Guarantor elsewhere.

17. This instrument shall extend to and enure to the benefit of the successors and assigns of the Bank and shall be binding upon the Guarantor and the heirs, executors, administrators and successors of the Guarantor.

GIVEN under seal at Ottawa, Ontario this 19th day of April, 2022.

(corporate seal(s) if corporate guarantor)

ASHCROFT HOMES INC.

Witness: 

Per:   
Name: DAVID CHOO  
Title: President and Secretary-Treasurer

Affix Seal

I have authority to bind the Corporation.

This is Exhibit "E" referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



## FULL LIABILITY GUARANTEE

For value received the undersigned ("Guarantor") hereby guarantees to CANADIAN WESTERN BANK ("Bank") payment, forthwith after demand made therefor as hereinafter provided, of all indebtedness and liability (present and future, direct or indirect, absolute or contingent, matured or not) of 1019883 Ontario Inc.

\_\_\_\_\_ ("Customer") to the Bank whether arising from agreement or dealings between the Bank and the Customer or from agreement or dealings between the Bank and any third person by which the Customer now is or hereafter may become indebted or liable to the Bank or however otherwise arising and whether the Customer be bound alone or with another or others and whether as principal or surety or guarantor; and the Guarantor further agrees that:

1. If more than one Guarantor executes this instrument the provisions hereof shall be read with all grammatical changes thereby rendered necessary and each reference to the Guarantor shall include the undersigned and each and every one of them severally and this guarantee and all covenants and agreements herein contained shall be deemed to be joint and several. This instrument shall be read with all grammatical changes made necessary by the Guarantor's or Customer's gender.
2. The Bank may increase, reduce, renew, extend, discontinue or otherwise vary the Customer's credit, grant time, renewals, extensions, releases and discharges to, take and give up securities (which may include other guarantees), and otherwise deal with the Customer and other parties and securities as the Bank may see fit, and may apply all monies received from the Customer or others or from the sale or other disposal of security upon such part of the Customer's liability as the Bank may think best, without prejudice to or in any way limiting or lessening the liability of the Guarantor under this guarantee. The Guarantor's obligation to pay under this guarantee shall not be limited or reduced as a result of the termination, invalidity or unenforceability of any right of the Bank against the Customer or any other party (including other guarantors) for any cause whatsoever.
3. This guarantee shall be a continuing security for payment by the Customer to the Bank of all the indebtedness and liability aforesaid; provided that the Guarantor may determine his further liability under this guarantee by 30 days written notice given to the branch of the Bank at which this guarantee is held but, if such notice be given, this guarantee shall apply and extend to any indebtedness or liability of the Customer to the Bank incurred prior to the expiration of 30 days from the date of receipt of such notice by the said branch of the Bank.
4. The Bank shall not be bound to exhaust its recourse against the Customer or other parties or the securities that it may hold before being entitled to payment from the Guarantor under this guarantee.
5. Any loss of or in respect of securities received by the Bank from the Customer or others, whether occasioned through the fault of the Bank or otherwise, shall not discharge or limit or lessen the liability of the Guarantor under this guarantee.
6. Any change or changes in the name of the Customer, or, if the Customer is a partnership, any change or changes in the membership of the Customer's firm by death or by the retirement of one or more of the partners or by the introduction of one or more new partners or otherwise, shall not affect or in any way limit or lessen the liability of the Guarantor under this guarantee and this guarantee shall extend to the person, firm or corporation acquiring or from time to time carrying on the business of the Customer.
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8. Any account settled or stated by or between the Bank and the Customer shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Customer to the Bank is in fact so due.
9. The Guarantor agrees not to assert any right of contribution against any other guarantor until the customer's indebtedness and liabilities have been paid in full. If the Bank should receive from the Guarantor a payment in full or on account of the indebtedness or liability under this guarantee, all rights of subrogation arising therefrom shall be postponed and the Guarantor shall not be entitled to claim repayment against the Customer or the Customer's estate until the Bank's claims against the Customer have been paid in full; and in the case of liquidation, winding up or bankruptcy of the Customer (whether voluntary or compulsory) or in the event that the Customer shall make a bulk sale of any of the Customer's assets within the bulk transfer provisions of any applicable legislations, or shall make any compromise with creditors or scheme of

arrangement, the Bank shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue to be liable, up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing to the Bank by the Customer. In the event of the valuation by the Bank of any of its securities and/or the retention of such securities by the Bank, such valuation and/or retention shall not, as between the Bank and the Guarantor, be considered as a purchase of such securities or as payment or satisfaction or reduction of the Customer's indebtedness or liabilities to the Bank, or any part thereof.

10. Any notice or demand which the Bank may wish to give may be served on the Guarantor either personally on him or his legal personal representative or, in the case of a corporation, on any officer or director of the corporation, or by sending the same registered mail in an envelope addressed to the last known address of the Guarantor as it appears on the Bank's records and the notice so sent shall be deemed to be received on the fifth business day following that on which it is mailed.
11. As security for the performance of the Guarantor's covenants herein and the payment of the present and future debts and liabilities of the Customer to the Bank, the Guarantor hereby grants to the Bank a security interest in all debts and liabilities, present and future, of the Customer to the Guarantor, all of which are hereby assigned by the Guarantor to the Bank and postponed to the present and future debts and liabilities of the Customer to the Bank. Any monies or other proceeds received by the Guarantor in respect of such debts and liabilities shall be received in trust for and forthwith paid over to the Bank, in whole, without in any way limiting or lessening the liability of the Guarantor hereunder. Notwithstanding anything to the contrary herein, the assignment and postponement contained in this paragraph 11 are intended to be and are independent of the remainder of this guarantee and may, at the option of The Bank, be severed therefrom. A notice of termination given by the Guarantor pursuant to paragraph 3 shall not terminate the provisions contained in this paragraph 11, which shall continue in full force and effect until released in writing by the Bank. The Guarantor hereby acknowledges receiving a copy of this guarantee and waives all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement filed or issued at any time in respect of this assignment.
12. The Guarantor shall be currently liable under this guarantee at any time for the full amount of the debts and liabilities of the Customer to the Bank then outstanding, provided that the Guarantor shall not be in default under or in breach of this guarantee unless and until the Bank has made demand upon the Guarantor hereunder and the Guarantor has failed to pay the amount demanded or otherwise failed to comply with such demand forthwith following receipt (or deemed receipt) of such demand. In the case of default the Bank may maintain an action upon this guarantee whether or not the Customer is joined therein or separate action is brought against the Customer or judgment obtained against him. The Bank's rights are cumulative and shall not be exhausted by the exercise of any of the Bank's rights hereunder or otherwise against the Guarantor or by any successive actions until and unless all indebtedness and liability hereby guaranteed has been paid and each of the Guarantor's obligations under the guarantee has been fully performed.
13. The Guarantor shall pay to the Bank on demand (in addition to all debts and liabilities of the Customer hereby guaranteed) all costs, charges and expenses (including, without limitation, lawyer's fees as between solicitor and his own client on a full indemnity basis) incurred by the Bank for the preparation, execution and perfection and enforcement of this guarantee and of any securities collateral thereto, together with interest thereon, both before and after demand, default and judgment, calculated from the date of payment by the Bank of each such cost, charge and expense until payment by the Guarantor hereunder, at a rate per annum equal to 3% above the rate published by the Bank from time to time as the Bank's prime lending rate. A statement signed by any officer of the Bank confirming the Bank's prime lending rate at any time or times shall be conclusive evidence thereof for all purposes under this guarantee.
14. This instrument is in addition and without prejudice to any other securities of any kind including any other guarantees, whether or not in the same form as this instrument, now or hereafter held by the Bank. Without limiting the generality of the foregoing, all limits and evidence of liability pursuant to any guarantee now or hereafter held by the Bank shall be cumulative.
15. There are no representations, warranties, collateral agreements or conditions with respect to this guarantee or affecting the Guarantor's liability hereunder other than as contained herein. Without restricting the generality of the foregoing, this guarantee shall be operative and binding upon every signatory hereto notwithstanding the non-execution hereof by any other proposed or intended signatory or signatories.



- 16. This instrument shall be construed in accordance with the laws of Ontario, and the Guarantor agrees that any legal suit, action or proceedings arising out of or relating to this instrument may be instituted in the courts of such province or territory and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the said courts and acknowledges their competence and agrees to be bound by any judgment thereof, provided that nothing herein shall limit the Bank's right to bring proceedings against the Guarantor elsewhere.
- 17. This instrument shall extend to and enure to the benefit of the successors and assigns of the Bank and shall be binding upon the Guarantor and the heirs, executors, administrators and successors of the Guarantor.

GIVEN under seal at Ottawa, Ontario this 19th day of April, 2022.

(corporate seal(s) if corporate guarantor)

*Mow*



Affix Seal

Witness:

DAVID CHOO

This is Exhibit “F” referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**

CLEAR FORM



CANADIAN WESTERN BANK

## THIS GENERAL SECURITY AGREEMENT DATED

## BRANCH ADDRESS:

2000 Argentia Road, Suite 101, Plaza 1,  
Mississauga, Ontario L5N 1P7

## 1. DEFINITIONS

The following definitions shall apply herein:

- (a) "Act" means the Personal Property Security Act of the Province of Ontario in effect on the date hereof;
- (b) "Accessions", "Account", "Chattel Paper", "Consumer Goods", "Document of Title", "Equipment", "Financing Change Statement", "Financing Statement", "Goods", "Instrument", "Intangible", "Inventory", "Money", "Purchase Money Security Interest", "Security", "Securities Account" and "Security Entitlement" shall have the meanings ascribed to them in the Act and shall be deemed to include both the singular and plural of such terms. All other capitalized words or terms used herein, unless otherwise defined herein, shall have the meanings ascribed to them in the Act and the Regulations passed pursuant thereto;
- (c) "Agreement", "herein", and similar expressions refer to the whole of this Security Agreement and not to any particular section or other portion thereof and extend to and include every instrument which amends or supplements this Agreement;
- (d) "Bank" means **CANADIAN WESTERN BANK**;
- (e) "Collateral" means all present and after-acquired personal property and Real Property of the Debtor of whatever kind and wherever situate, including, without limiting the generality of the foregoing, those specific items, if any, described on the attached Schedule "A", and all other related, attached collateral schedules and all documents, writings, papers, books of account and records relating to the foregoing and all rights and interests therein, but shall not include:
- (i) the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor now or hereafter held by the Debtor, it being the intention that the Debtor shall stand possessed of the reversion remaining in respect of any leasehold interest forming part of the Collateral upon trust to assign and dispose thereof as the Bank may after default direct;
- (ii) Consumer Goods, or
- (iii) those specific items, if any, described on the attached Schedule "B";
- (f) "Debtor" means 1019883 Ontario inc., having the registered office at 18 Antares Drive, Suite 102, Nepean, Ontario K2E 1A9
- 
- (g) "Default" means the happening of any one or more of the events or conditions described in section 7 and such term shall be deemed to include each, any, or all such events or conditions, whether any such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgement, decree or order of any Court or any order, rule or regulation of any administrative or governmental body;

- (h) "Indebtedness" means and includes any and all obligations, indebtedness and liability of the Debtor to the Bank, (including but not limited to principal, interest and all costs on a full indemnity basis) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wherever and however incurred, together with any ultimate unpaid balance thereof, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor is bound alone or with another or others and whether as principal or surety;
- (i) "Permitted Encumbrances" means those specific security interests, if any, whether by way of mortgage, lien, claim, charge or otherwise, listed on Schedule "A" or hereafter approved in writing by the Bank prior to their creation or assumption;
- (j) "Proceeds" shall have the meaning ascribed to it in the Act and shall be interpreted to include bank accounts, cash, trade-ins, Equipment, notes, Chattel Paper, Goods, contractual rights, Accounts and any other personal property or obligation received when Collateral or Proceeds thereof are sold, exchanged, collected or otherwise disposed of;
- (k) "Real Property" means all of the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real, immovable and leasehold property and all interests therein, and all easements, right-of-way, privileges, benefits, licenses, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant and other fixtures;
- (l) "Receiver" means any one or more persons (whether officers of the Bank or not), firms or corporations appointed pursuant to subsection 9(f) and shall be deemed to include a receiver, manager, receiver-manager, or receiver and manager;
- (m) "Security Interest" means the security interest and the floating charge granted by the Debtor to the Bank pursuant to this Agreement; and
- (n) "Specifically Described Collateral" means those items, if any, described in Schedule "A" which comprise part of the Collateral.

## **2. GRANT OF SECURITY INTEREST**

For value received (the receipt and sufficiency of which is hereby acknowledged):

- (a) the Debtor hereby grants, assigns, conveys, mortgages, pledges and charges, as and by way of a specific mortgage, pledge and charge and grants a continuing Security Interest to and in favor of the Bank in the Collateral (other than Real Property); and
- (b) the Debtor hereby charges the Real Property as and by way of a floating charge.

## **3. INDEBTEDNESS SECURED**

The Security Interest secures payment and satisfaction of the Indebtedness; provided however, that if the Security Interest in the Collateral is not sufficient to satisfy the Indebtedness of the Debtor in full, the debtor agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Bank shall be entitled to pursue full payment and satisfaction thereof.

## **4. ATTACHMENT OF SECURITY INTEREST**

The Security Interest shall attach to the Collateral at the earliest possible moment in accordance with the Act, there being no intention on the part of the Debtor and the Bank that it attach at any later time.

## 5. REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

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

- (a) the Debtor, if a natural person, is of legal age and, if a corporation, is duly organized, existing and in good standing under the laws of its incorporating jurisdiction and of each other jurisdiction in which the nature of its activities make such necessary;
- (b) the Debtor has the right, power and authority to enter into this Agreement and to grant the Security Interest;
- (c) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action and are not in contravention of any instrument by which the Debtor has been incorporated or continued, any instrument amending any such instrument, any internal regulation of the Debtor, any law, or any indenture, agreement or undertaking to which the Debtor is a party or by which it is bound;
- (d) the Debtor has not previously carried on business, does not currently carry on business, and shall not, without the prior written consent of the Bank, in the future carry on business under any name other than the name set forth in paragraph 1(f);
- (e) the Collateral is genuine and is legally and beneficially owned by the Debtor free of all security interests except for the Security Interest and the Permitted Encumbrances;
- (f) the description of the Specifically Described Collateral, whether contained herein or provided elsewhere the Debtor to the Bank, is complete and accurate and all serial numbers affixed or ascribed to any of the Collateral have been provided to the Bank;
- (g) each Chattel Paper, Intangible and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same ("Account Debtor"), the amount represented by the Debtor to the Bank from time to time as owing by each Account Debtor shall be the correct amount owing unconditionally by such Account Debtor, and no Account Debtor shall have any defence, set-off, claim or counterclaim against the Debtor which can be asserted against the Bank, whether in any proceedings to enforce the Collateral or otherwise;
- (h) the locations specified in the attached Schedule "C" as to business operations and records are accurate and complete and, except for Goods in transit to such locations and Inventory on lease or consignment, all Collateral shall be situate at one of such locations;
- (i) all financial statements, certificates and other information concerning the Debtor's financial condition or otherwise from time to time furnished by the Debtor to the Bank are and shall be in all respects complete, correct and fair representations of the affairs of the Debtor stated in accordance with generally accepted accounting principles applied on a consistent basis;
- (j) there has not been and shall not be a material adverse change in the Debtor's position, financial or otherwise, from that indicated by the financial statements which have been delivered to the Bank;
- (k) there are no actions, suits or proceedings pending or, to the knowledge of the Debtor, threatened against the Debtor except as have been disclosed in writing to and approved by the Bank; and
- (l) none of the Collateral is or shall be Consumer Goods.

## 6. COVENANTS OF THE DEBTOR

The Debtor covenants:

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein and to keep the Collateral free from all security interests except for the Security Interest and the Permitted Encumbrances;
- (b) except as expressly permitted herein, not to sell, exchange, transfer, assign, destroy, lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank;
- (c) except as expressly permitted herein, not to move the Collateral from its current location, as indicated on Schedule "C", without the prior written consent of the Bank;
- (d) to assemble and deliver the Collateral to the Bank at such location as the Bank may direct;
- (e) to notify the Bank promptly in writing of:
  - (i) any change in the information contained in this Agreement including any information relating to the Debtor (including its name), the Debtor's business, the Collateral, or the locations of the Collateral or the records of the Debtor, so that the Bank shall be constantly advised of all places where the Debtor conducts its business, maintains the Collateral and maintains its records,
  - (ii) the details of any significant acquisition of Collateral (including serial numbers where required under the Act in connection with registration or as otherwise requested by the Bank), and for the purposes of this Agreement "significant" shall mean any item or items the value of which exceeds in the aggregate \$5,000,
  - (iii) the removal of any of the Collateral to any jurisdiction in which any registration of, or in respect of, this Agreement may not be effective to protect the Security Interest, and in the case of such removal to provide the Bank with a written certificate stating the time of removal, what is being removed and the intended new locality of such Collateral, and to assist the Bank in effecting such further registrations as may be required by the Bank to protect its Security Interest; provided however that this provision shall not be construed as a waiver of any prohibition against removal or relocation of Collateral contained elsewhere in this Agreement, nor shall it be construed as permission to do so,
  - (iv) the details of any claims or litigation affecting the Debtor or the Collateral,
  - (v) any loss or damage to the Collateral,
  - (vi) any Default by an Account Debtor in payment or other performance of its obligations with respect to any Collateral, and
  - (vii) the return to or repossession by the Debtor of any Collateral;
- (f) to keep all of its property, including 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 having jurisdiction over the same;

- (g) to execute, acknowledge and deliver such further agreements and documents supplemental hereto (including financing statements, further schedules to this Agreement, assignments and transfers) and to do all acts, matters and things as may be requested by the Bank in order to give effect to this Agreement and to perfect the Security Interest, including but not limited to any of the same which may be required to correct or amplify the description of any Collateral or for any other purpose not inconsistent with the terms of this Agreement;
- (h) to pay all costs and expenses on a full indemnity basis (including legal fees as between a solicitor and his own client) incidental to:
  - (i) the preparation, execution and filing of this Agreement,
  - (ii) maintaining, protecting and defending the Collateral, the Security Interest, and all of the Bank's rights and interest arising pursuant to this Agreement, and
  - (iii) the exercise of any rights or remedies of the Bank pursuant to this Agreement, including but not limited to the costs of the appointment of a Receiver and all expenditures incurred by such Receiver, the cost of any sale proceedings (whether the same prove abortive or not), and all costs of inspection, and all other costs and expenses incurred by the Bank in connection with or arising out of, directly or indirectly, this Agreement, all without limitation. All such costs and expenses shall be payable by the Debtor immediately upon demand from the Bank and until paid shall bear interest from the date incurred by the Bank at the highest rate of interest then chargeable by the Bank to the Debtor on any of the Indebtedness. The amount of all such costs and expenses shall be added to the Indebtedness and shall be secured by this Agreement;
- (i) to punctually pay and discharge all taxes, rates, levies, assessments and other charges of every nature which might result in any lien, encumbrance, right of distress, forfeiture or termination or sale, or any other remedy being enforced against the Collateral and to provide to the Bank satisfactory evidence of such payment and discharge;
- (j) to maintain its corporate existence, and to diligently preserve all its rights, licenses, powers, privileges, franchises and goodwill;
- (k) to observe and perform all of its obligations and comply with all conditions under leases, licenses and other agreements to which it is a party or pursuant to which any of the Collateral is held;
- (l) to carry on and conduct its business in an efficient and proper manner so as to preserve and protect the Collateral and income therefrom;
- (m) to keep, in accordance with generally accepted accounting principles consistently applied, proper books of account and records of all transaction in relation to its business and the Collateral;
- (n) to observe and conform to all valid requirements of law and of any governmental or municipal authority relating to the Collateral or the carrying on by the Debtor of its business;
- (o) at all reasonable times, to allow the Bank access to its premises in order to view the state and condition of its property and to inspect its books and records and make extracts therefrom;
- (p) to insure the Collateral for such periods, in such amounts, on such terms, with such insurers and against such loss or damage by fire and other such risks as the Bank reasonably directs, with loss payable to the Bank and the Debtor as insureds, as their respective interests may appear, to pay all premiums therefor, to deliver evidence of the same on request, and to do all acts necessary to obtain payment to the Bank of any insurance proceeds;

- (q) to prevent the Collateral from being or becoming an Accession or a fixture to other property not covered by this Agreement or other security granted by the Debtor in favor of the Bank;
- (r) to deliver to the Bank from time to time promptly upon request:
  - (i) any Documents of Title, Instruments, Securities, Security Entitlements, Securities Account and Chattel Paper constituting the Collateral,
  - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral,
  - (iii) all financial statements prepared by or for the Debtor regarding its business, or, where the Debtor is an individual, all tax returns and such personal financial statements as the Bank may request,
  - (iv) all policies and certificates of insurance relating to the Collateral, and
  - (v) such further information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Bank may request;
- (s) not to change the present use of the Collateral; and
- (t) to comply with all other requirements of the Bank, whether in the nature of positive or negative covenants, as may be communicated by the Bank to the Debtor from time to time, including but not limited to those additional covenants, terms and conditions, if any, contained on the attached Schedule "D".

## 7. EVENTS OF DEFAULT

The following constitute Default:

- (a) non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Indebtedness;
- (b) failure of the Debtor to perform or observe any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement, security instrument or other document made by the Debtor with or in favor of the Bank or any other person, firm or corporation;
- (c) the death of or declaration of incompetency by a Court of competent jurisdiction with respect to the Debtor, if an individual;
- (d) the Debtor becomes insolvent or makes a voluntary assignment or proposal in bankruptcy or otherwise acknowledges its insolvency, a bankruptcy petition is filed or presented against the Debtor, the making of an authorized assignment for the benefit of the creditors of the Debtor, the appointment of a receiver, receiver-manager, receiver and manager or trustee for the Debtor or 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, Companies Creditors Arrangement Act or similar legislation in any jurisdiction;
- (e) any act, matter or thing being done toward, or the commencement of any action or proceeding for, terminating the corporate existence of the Debtor, or if the Debtor is a partnership, the existence of the partnership, whether by way of winding-up, surrender of charter or otherwise;
- (f) any encumbrance or security interest affecting the Collateral becomes enforceable;



- (g) the Debtor ceases or threatens to cease to carry on its business or makes or proposes to make a bulk sale of its assets or any sale of the Collateral other than as expressly permitted herein;
- (h) any execution or other process of any Court becomes enforceable against the Debtor or a distress or analogous process is levied upon the assets of the Debtor or any part thereof (whether or not forming part of the Collateral);
- (i) the Debtor permits any amount which has been admitted as due by it or is not disputed to be due by it and which forms, or is capable of being made, a charge upon the Collateral in priority to, or pari passu with, the charge created by this Agreement to remain unpaid for 30 days after proceedings have been taken to enforce the same;
- (j) the Debtor allows any amount outstanding from it to the Crown pursuant to any federal, provincial or territorial statute to remain unpaid for 30 days or more;
- (k) a corporate dispute occurs within the Debtor, if a corporation, (whether between or among its shareholders, directors, officers, employees or otherwise) which may hamper the business operations of the Debtor or otherwise adversely affect, in the sole opinion of the Bank, the Debtor's business assets or the Collateral;
- (l) any representation or warranty furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement (regardless of the form thereof or whether contained herein or elsewhere), whether as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Debtor or otherwise proves to have been false or misleading as of the day made in any material respect or to have omitted any substantial contingent or unliquidated liability or claim against the Debtor;
- (m) there is any material adverse change in any of the facts disclosed to the Bank, in the Debtor's position (financial or otherwise), or in the nature and value of the Collateral; or
- (n) the Bank considers or deems, in its sole opinion, that the Security Interest and the Collateral are not sufficient security in relation to the extent of the Indebtedness.

For the purposes of Section 198.1 of the Land Title Act (British Columbia), the floating charge created by this Security Agreement over Real Property shall become a fixed charge thereon upon the earlier of:

- (a) the occurrence of an event described in clause 7(d), (e), (f), (g), or (h); or
- (b) the Bank taking any action pursuant to clause 9 to enforce and realize on the Security Interests created by this Security Agreement.

## 8. ACCELERATION/DEFAULT

- (a) In the event of Default the Bank, 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. The provisions of this clause shall not in any way affect any rights of the Bank with respect to any Indebtedness which may now or hereafter be payable on demand.
- (b) In the event of early payout, in whole or in part, the Debtor shall pay the Bank a prepayment charge equal to the greater of three months interest on the amount of the prepayment calculated at the rate of interest payable on the loan or the Bank's unwinding costs consisting of the interest rate differential calculated by the Bank based on the difference between the interest rate on the loan being prepaid and the bid side yield on Government of Canada securities for a comparable term. Notwithstanding the foregoing, the terms of any early payout provisions and prepayment charges agreed upon in a commitment letter signed by the Debtor and the Bank shall take precedence over the early payout and prepayment charges provided for in this subsection.

## 9. REMEDIES

Upon Default the Bank shall have the following rights and powers, which the Bank may exercise immediately:

- (a) to enter upon the premises of the Debtor or any other premises where the Collateral may be situated and to take possession of all or any part of the Collateral, by any method permitted by law, to the exclusion of all others, including the Debtor, its directors, officers, agents and employees, and the Debtor hereby waives and releases the Bank and any Receiver from all claims in connection therewith or arising therefrom;
- (b) to remove all or any part of the Collateral to such place as the Bank deems advisable;
- (c) to preserve and maintain the Collateral and to do all such acts incidental thereto as the Bank considers advisable, including but not limited to making replacements and additions to the Collateral;
- (d) to collect, demand, sue on, enforce, recover and receive Collateral and give receipts and discharges therefor, and may do any such act and take any proceedings related thereto in the name of the Debtor or otherwise as the Bank considers appropriate;
- (e) to 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 the Bank deems reasonable (including without limitation, by deferred payment) all in the Bank's absolute discretion and without the concurrence of the Debtor; provided however, that the Bank shall not be required to do so and it shall be lawful for the Bank to use and possess the Collateral for any and all purposes and in any manner the Bank sees fit, all without hindrance or interruption by the Debtor or any other person or persons, provided however that none of the foregoing shall prejudice the Bank's right to pursue the Debtor for recovery in full of the amount of the Indebtedness, including the amount of any deficiency owing after the application of the proceeds of realization (and to the extent permitted by laws, the Debtor waives its rights to the protection afforded by any rule of law or legislation respecting such deficiency);
- (f) to appoint by instrument in writing, with or without bond, or by application to any Court of competent jurisdiction, a Receiver of the Collateral and to remove any Receiver so appointed and appoint another or others in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not of the Bank and the Bank shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his agents, servants or employees. Subject to the provisions of the instrument appointing him, any such Receiver shall have the 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 (including disposition by way of deferred payment). To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor where Collateral may be situated, to employ and discharge such employees, agents or professional advisors as the Receiver deems advisable, to enter into such compromises, arrangements or settlements as the Receiver deems advisable, to borrow or otherwise raise money on the security of the Collateral and to issue Receiver's certificates and do all such other acts as the Receiver deems advisable in connection with any of the powers referred to herein. Except as may be otherwise directed by the Bank, all monies received from time to time by the Receiver in carrying out his appointment shall be received in trust for and paid over to the Bank. In addition, every Receiver may, in the discretion of the Bank, be vested with all or any of the rights and powers of the Bank under the Act or any other applicable legislation or under this Agreement or any other agreement;

- (g) to rescind or vary any contract for sale, lease or other disposition that the Debtor or the Bank may have entered into and to resell, release or redispense of the Collateral;
- (h) to deliver to any purchasers of the Collateral good and sufficient conveyances or deeds for the same free and clear of any claim by the Debtor. For such purposes, the purchaser or lessee receiving any disposition of the Collateral need not inquire whether Default under this Agreement has actually occurred but may as to this and all other matters rely upon a statutory declaration of an officer of the Bank, which declaration shall be conclusive evidence as between the Debtor and such purchaser or lessee, and any such disposition shall not be affected by any irregularity of any nature or kind relating to the enforcement of this Agreement or the exercise of the rights and remedies of the Bank;
- (i) to exercise any of the powers and rights given to a Receiver pursuant to this Agreement;
- (j) to provide written notice to the Debtor that all the powers, functions, rights and privileges of the directors and officers of the Debtor with respect to the Collateral, business and undertaking of the Debtor have or shall cease as of the date notified therein, except to the extent specifically continued at any time by the Bank in writing; and
- (k) to take the benefit of or to exercise any other right, proceeding or remedy authorized or permitted at law or in equity, whether as a secured party pursuant to the Act as the same is in force from time to time or otherwise.

All rights and remedies of the Bank are cumulative and may be exercised at any time and from time to time independently or in combination. No delay or omission by the Bank in exercising any right or remedy shall operate as a waiver thereof or of any other right or remedy, and no singular partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Provided always that the Bank shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, maintain, lease or otherwise dispose of the Collateral, or to institute any proceedings for such purposes. The Bank shall have no obligation to take any steps to preserve rights against other parties, shall have no obligation to exercise any of the rights and remedies available to it on Default and shall not be liable or accountable for not exercising any such rights and remedies.

The Bank may waive any Default but no such waiver shall be effective unless made in writing and signed by an authorized officer of the Bank. Any such waiver shall not extend to, or be taken in any manner whatsoever to affect, any subsequent Default or the rights resulting therefrom.

By its acceptance of this Agreement, the Bank acknowledges that it shall not, except in the case of the bankruptcy of the Debtor, enforce this Security Agreement against any personal property of the Debtor used solely for the personal or household use and enjoyment of the Debtor or the Debtor's immediate family.

## **10. BANK MAY REMEDY DEFAULT**

The Bank shall have the right, but shall not be obliged to, remedy any default of the Debtor and all sums thereby expended by the Bank shall be payable immediately by the Debtor, together with interest thereon at the highest rate of interest then chargeable by the Bank to the Debtor on any portion of the Indebtedness. All such sums shall be added to the Indebtedness and shall be secured by this Agreement. In no case shall the exercise of the Bank's rights pursuant to this Section 10 be deemed to relieve the Debtor from such Default or be deemed a waiver of such Default or of any other prior or subsequent Default.

## 11. USE OF COLLATERAL

Subject to compliance with the Debtor's covenants contained herein and to the following provisions of this Section 11, until Default the Debtor may:

- (a) in the case of Equipment, dispose of the same for the purpose of immediately replacing it by other Equipment of a similar nature or of a more useful or convenient character and of at least equal value;
- (b) in the case of Inventory and Money, dispose of the same in the ordinary course of the business of the Debtor and for the sole purpose of carrying on the same; and
- (c) otherwise possess, collect, use, enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not expressly or impliedly prohibited herein or otherwise inconsistent with the provisions of this Agreement.

Notwithstanding the foregoing:

- (a) before or after Default the Bank may notify all or any Account Debtors and may direct such Account Debtors to make all payments owed in respect of the Collateral directly to the Bank; and
- (b) the Debtor agrees that any payments on or other Proceeds of Collateral received by the Debtor, whether before or after Default, shall be received and held by the Debtor in trust for the Bank and shall be turned over to the Bank upon request.

If the Collateral at any time includes Securities, the Debtor authorizes the Bank to transfer the same or any part thereof into its own name or that of its nominees so that the Bank or its nominees may appear on record as the sole owner thereof; provided however that until Default the Bank shall deliver to the Debtor all notices or other communications received by it or its nominees as registered owner and upon demand and receipt of payment of any necessary expenses shall issue to the Debtor or its order a proxy to vote and take all action with respect to such Securities. However, after Default the Debtor waives all rights to receive any notices or communications in respect of such Securities and agrees that no proxy issued by the Bank to the Debtor or its order as aforesaid shall thereafter be effective.

## 12. APPROPRIATION OF PAYMENTS

All payments made at any time in respect of the Indebtedness and all Proceeds realized from any Securities held therefor may be applied (and reapplied from time to time notwithstanding any previous application) in such manner as the Bank sees fit or, at the option of the Bank, may be held unappropriated in a collateral account or released to the Debtor all without prejudice to the rights of the Bank hereunder, including the Bank's right to collect from the Debtor the amount of any deficiency remaining after application of all such payments and Proceeds.

## 13. POWER OF ATTORNEY AND AUTHORIZATION TO FILE

The Debtor hereby authorizes the Bank to file such Financing Statements and other documents and do such acts, matters and things (including completing and adding schedules to this Agreement indentifying Collateral or location) as the Bank from time to time deems appropriate to perfect, continue and realize upon the Security Interest and to protect and preserve the Collateral. In addition, for valuable consideration, the Debtor hereby irrevocably appoints the Bank and its officers from time to time, or any one or more of them, to be the true and lawful attorney of the Debtor, with full power of substitution, in the name of and on behalf of the Debtor to execute and to do all deeds, transfers, conveyances, assignments, assurances, and other things which the Debtor ought to execute and do under the covenants and provisions contained in this Agreement and generally to use the name of the Debtor in the exercise of all or any of the rights, remedies and powers of the Bank.

#### 14. MISCELLANEOUS

- (a) The Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, comprise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other securities as the Bank sees fit, all without prejudice to the liability of the Debtor to the Bank or to the Bank's rights in respect thereof. In addition, the Bank may demand, collect, and sue on the Collateral in either the Debtor's or the Bank's name, all at the Bank's option, and may endorse the Debtor's name on any and all cheques, commercial paper and other Instruments pertaining to or constituting the Collateral.
- (b) Neither the execution or registration of this Agreement, nor the advance or readvance of part of the monies hereby intended to be secured, shall bind the Bank to advance or readvance the said monies or any unadvanced part thereof. The advance or readvance of the said monies or any part thereof from time to time shall be in the sole discretion of the Bank.
- (c) The Debtor hereby waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Debtor is in any way liable and, except as expressly prohibited by law, waives notice of any other action taken by the Bank.
- (d) Without limiting any other right of the Bank, whenever the Indebtedness is due and payable or the Bank has the right to declare it to be due and payable (whether or not it has been so declared), the Bank may, in its sole discretion, set off against the Indebtedness any and all monies then owed to the Debtor by the Bank in any capacity, whether or not due, and the Bank shall be deemed to have exercised such right to set-off immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Bank's records subsequent thereto.
- (e) 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 such assignee any claim or defence which the Debtor now has or may hereafter have against the Bank.

#### 15. NOTICE

In addition to the notice provisions contained in the Act, whenever the Debtor or the Bank 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 only if delivered, transmitted by facsimile, or sent by prepaid registered mail addressed to the party for whom it is intended at the Branch Address, in the case of the bank, and at the Debtor Address, in the case of the Debtor, as set out herein or as changed pursuant hereto. Either party may notify the other of any change in such party's address to be used for the purposes hereof. All such communications shall, in the case of delivery or facsimile, be deemed received on the date of delivery and, if mailed as aforesaid, shall be deemed received on the third business day following the date of posting. In the case of a disruption in postal service all such communications shall be delivered or transmitted by facsimile.

#### 16. INTERPRETATION

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

- (b) This Agreement and the security afforded by it is in addition to and not in substitution for any other security now or hereafter held by the Bank and is intended to be a continuing security agreement and shall remain in full force and effect until released in writing by the Bank. The Bank shall have no obligation to provide such release unless and until the full amount of the Indebtedness has been paid in full.
- (c) If any provision of this Agreement is held invalid, 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 and this Agreement shall be enforced to the fullest extent permitted by law.
- (d) The Debtor hereby waives the benefit of all statutory, common law and equitable rights, benefits and provisions which in any way limit or restrict the Bank's rights and remedies, to the extent that such waiver is not expressly prohibited by law. The Debtor acknowledges and agrees that the Bank shall have the right to recover the full amount of the indebtedness by all lawful means, including the right to seek recovery of any deficiency remaining after the sale of the Collateral, including any sale thereof to the Bank.
- (e) The headings of the sections of this Agreement are inserted for convenience of reference only and shall not affect or limit the construction or interpretation of this Agreement.
- (f) All schedules, whether attached hereto on the date hereof or subsequently attached pursuant to the provisions of this Agreement, form part of this Agreement. With the exception of any schedules which may be added hereafter by the Bank without the concurrence of the Debtor pursuant to the provisions of this Agreement, no modification, variation or amendment of this Agreement shall be made except by a written agreement executed by the Debtor and the Bank.
- (g) When the context so requires, words importing the singular number shall be read to include the plural and vice versa, and words importing gender shall be read with all grammatical changes necessary to reflect the identity of the parties.
- (h) This Agreement shall enure to the benefit of the Bank, its successors and assigns and shall be binding upon the Debtor, its personal representatives, administrators, successors and permitted assigns.
- (i) Time shall be in all respects of the essence of this Agreement.

## 17. RECEIPT OF DOCUMENTS

- (a) The Debtor hereby acknowledges receiving a copy of this Agreement.
- (b) The Debtor hereby waives its right to receive a copy of any Financing Statement, Financing Change Statement or verification statement which may be filed by or issued to the Bank pursuant to the Act.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first stated above, by his/her hand or by authorized signing officers if the debtor is not an individual.

**1019883 ONTARIO INC.**

*Corporate Seal  
If Applicable*

Name: DAVID CHOO



Title: President and Secretary-Treasurer

Signature:

**INDIVIDUAL DEBTOR**

**Witness**

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

DEBTOR ADDRESS:  
18 Antares Drive, Suite 102  
Nepean, Ontario K2E 1A9

(Chief Executive Office, if Corporation, or residence if Individual)

**SCHEDULE "A"**

**1. SPECIFICALLY DESCRIBED COLLATERAL**

(a) Serial Number Goods

Make, Model, Year of Manufacture, Serial Number

(b) Other

**2. PURCHASE MONEY SECURITY INTERESTS**

**3. PERMITTED ENCUMBRANCES**  
None



**SCHEDULE "B"**  
**PERSONAL PROPERTY NOT INCLUDED IN COLLATERAL**

None

**SCHEDULE "C"**

**1. LOCATIONS OF DEBTOR'S BUSINESS OPERATIONS**

(a) Chief Executive Office

18 Antares Drive, Suite 102, Nepean, Ontario K2E 1A9

(b) Other Locations:

**2. LOCATIONS OF RECORDS RELATING TO COLLATERAL**

**3. LOCATIONS OF COLLATERAL**

18 Antares Drive, Ottawa Ontario K2E 1A9

**SCHEDULE "D"**  
**ADDITIONAL COVENANTS, TERMS AND CONDITIONS**

Dated: April <sup>19</sup>, 2022

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FROM:  
**1019883 ONTARIO INC.**

TO:  
**CANADIAN WESTERN BANK**

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GENERAL SECURITY AGREEMENT

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**SAVE FORM**

This is Exhibit "G" referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

---

*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**

## MORTGAGE

TO: Canadian Western Bank  
2000 ARGENTIA ROAD, SUITE 101,  
PLAZA 1 MISSISSAUGA, ONTARIO L5N 1P7  
("CWB", "us", "we", "our", or "Mortgagee")

FROM: 1019883 Ontario Inc.  
18 Antares Drive, Suite 102  
Ottawa, Ontario K2E 1A9  
(the "Mortgagor", "you" or "your")

This agreement (as it may be supplemented, renewed, extended or amended from time to time, this "Mortgage") is required because CWB is lending money to help you meet your business needs (or, CWB is lending money to help another business meet its needs and you are guaranteeing the repayment of that loan) and CWB needs security in your property if we are not repaid. You are or will be the registered owner of the property set out in **Schedule "A"** including all buildings and improvements (the "Lands"). In this Mortgage, you are granting us an interest in and charge against the Lands that will be registered on title to the Lands. In exchange for CWB lending money to you or for your benefit, you agree to the terms of this Mortgage as follows:

1. Your obligation to pay - You will pay us the sum of \$4,500,000.00 (FOUR MILLION AND FIVE HUNDRED THOUSAND DOLLARS) in Canadian Dollars (the "Principal Sum") ON DEMAND plus interest on the Principal Sum or any amount remaining unpaid, at the rate of SIXTEEN PERCENT (16%) per annum or such other interest rate agreed between us in writing (the "Interest Rate"), until the Principal Sum and interest are paid in full. Your obligation to pay the Principal Sum and the Interest Rate will continue to apply for as long as the Principal Sum remains unpaid, even if the Principal Sum has not been paid in full when CWB's loan matures, if we require the Principal Sum to be paid or in full or if we receive a judgement in respect of this Mortgage.
2. Interest and Arrears - All overdue interest shall be treated as a part of the Principal Sum and shall bear compound interest at the Interest Rate, and all interest and compound interest shall be a charge upon the Lands. If any of the money secured by this Mortgage is not paid when due, you will pay interest on such outstanding amount for as long as it remains unpaid.
3. Revolving Advances - You acknowledge and agree that this Mortgage may be held by us as security for a revolving line of credit up to the Principal Sum. Upon signing this Mortgage:
  - (a) this Mortgage shall be a continuous charge against the Lands even though the balance owing under this Mortgage may fluctuate and may be reduced to a nil balance and may be repaid and readvanced from time to time;
  - (b) this Mortgage shall be security for payment of the ultimate balance of the money advanced by us to you and any other sums payable and secured under this Mortgage;
  - (c) this Mortgage shall remain valid security for any subsequent advance or readvance by us to you as if it had been made when this Mortgage is signed;
  - (d) nothing in this Mortgage requires us to advance any unadvanced portion of the Principal Sum and we may suspend or cancel the revolving line of credit at any time; and

- (e) any partial or full payment made by you to us shall not be deemed to be a redemption or cancellation of the revolving line of credit or this Mortgage.

4. Your agreement with us – You agree that this Mortgage is additional and continuing collateral security for your performance of all of your outstanding promises and obligations of any kind owed to us under the terms of a loan agreement, guarantee, letter of credit, letter of guarantee, promissory note or any other evidence of your obligations owed to us (“**Our Agreement**”). You agree to observe and perform your obligations under Our Agreement. The terms of Our Agreement are not superseded by nor merged in this Mortgage, and the provisions of Our Agreement are incorporated into this Mortgage by reference and shall remain in full force and effect until you fully perform all of your obligations in Our Agreement. A breach or default under Our Agreement shall constitute a breach or default under this Mortgage, and vice versa.

5. Covenants - You covenant and agree that:

- (a) you have good title to the Lands except for registered encumbrances, liens and interests, if any;
- (b) you have the right to mortgage the Lands;
- (c) on default we shall have quiet possession of the Lands free from all encumbrances except as permitted in this Mortgage;
- (d) you will sign further declarations or pledges of the Lands as may be required; and
- (e) you have not and will not encumber the Lands except as mentioned in this Mortgage

6. Assignment of Rents and Leases – If all or any portion of the Lands is now or in the future becomes subject to any lease, agreement to lease, tenancy, quota, right of use or occupation or license (collectively, “**Leases**”) you transfer and assign to us all Leases, together with all rents and other monies payable under them (collectively, “**Rents**”) that are now or in the future will become due and payable to you, as lessor, under all existing and future Leases and under every existing and future guarantees, if any, of the obligations any present or future tenant, user, occupier or licensee of all or any portion of the Lands, together with the benefit of all rights, benefits or advantages in the Leases and the authority to demand, collect, sue for, distrain for, recover, receive and give receipts for the Rents and to enforce payment of the Leases and the Rents in your name. We note, however, that, until there is a default under this Mortgage, you may receive, collect and enjoy the Rents only as they become due and payable and not in advance.

7. Taxes - You shall pay as they become due all taxes, rates, assessments, levies, liens, local improvement charges and penalties payable in respect of the Lands or this Mortgage (all of which is referred to as “**annual taxes**”). We may deduct from any advance an amount sufficient to pay any annual taxes which have become due and payable, and are unpaid at the date of such advance. You shall send to us all assessment notices, tax bills and other notices affecting your obligation to pay annual taxes as soon as possible after you receive them, plus proof that you have paid such annual taxes.

8. Insurance – You will insure during the term of this Mortgage for both your and our benefit, identifying us as loss payee as our interests may appear, the Lands and every building, structure, erection, improvement and fixture, including their replacements, and all personal property located on the Lands for at least the full insurable replacement value of such property on a non-reporting completed value basis in Canadian dollars. The insurance including insurance company or policy of insurance must be approved by us and shall cover all risks of direct physical loss with only such exclusions as we may approve and must

include insurance against liability imposed for damage, loss or injury to or death of persons and for damage to or loss of property of any person in such amounts as we believe will reasonably protect you against such losses. In addition, you must maintain boiler insurance if any boilers or pressure vessels are installed in the premises and you must obtain insurance covering loss of Rents under any Leases and business interruption insurance where Lands are occupied by you. Insurance coverage must be sufficient to pay the amounts required to be made under this Mortgage for the period of such policies. In addition, we require that:

- (a) such insurance policies shall either be without co-insurance or have a stated or stipulated amount co-insurance clause for an amount equal to or less than the policy limit;
- (b) you will upon request provide us, at your expense, with a certificate of a competent appraiser or other competent person selected by us as to the sufficiency of any insurance, including the type or amount of insurance;
- (c) you will not allow any policy of insurance to be invalidated, and must assign, transfer and deliver to us any policy, and you irrevocably assign proceeds of insurance to us. If you neglect to keep any part of the Lands insured, or to deliver any policy, or to produce to us at least fifteen (15) days before termination of insurance coverage evidence, to our reasonable satisfaction, or if we receive notice of the intended cancellation of any policy, we may insure the Lands; provided however that we shall not be required to insure the Lands or, if we insure the Lands, to insure other than for our benefit alone, or to arrange to pay the premiums on any policy, or to arrange to remedy any defect in any policy or failure of any insurance company to pay for any loss; and
- (d) if any loss or damage occurs, you must do all necessary things to enable us to receive payment of the insurance monies. Any insurance monies received may, at our option, be applied in rebuilding, reinstating or repairing the Lands or be paid to you or any other person that is the owner of the Lands, or be paid partly in one way and partly in another, or may be applied, in our sole discretion, to pay the Principal Sum, interest or other amounts owed to us under this Mortgage, whether due or not then due, notwithstanding any law, equity or statute to the contrary.

9. Waste - You will not permit any act of waste on the Lands or do anything, which lessens the value of the Lands in our opinion.

10. Hazardous Materials - You represent and warrant to us that, to the best of your knowledge after due and diligent inquiry, no regulated, hazardous or toxic substances are being stored on the Lands or any adjacent property nor have any such substances been stored or used on the Lands or any adjacent property prior to your ownership, possession or control of the Lands. You agree to provide written notice to us immediately upon you becoming aware that the Lands or any adjacent property is being or has been contaminated with regulated, hazardous or toxic substances. You will not cause nor permit any activities on the Lands which directly or indirectly could result in the Lands being contaminated with regulated, hazardous or toxic substances. For the purposes of this Mortgage, the term "regulated, hazardous or toxic substances" means any substance, defined or designated as hazardous or toxic wastes, hazardous or toxic material, a hazardous, toxic or radioactive substance or other similar term, by any applicable federal, provincial, state or local statute, regulation or ordinance now or hereafter in effect, or any substance or materials, the use or disposition of which is regulated by any such statute, regulation or ordinance.



- (b) to devote your full efforts and energy to the development and construction of the Project, not to abandon or delay completion of the Project for 15 days or more consecutively during the term of this Mortgage, except for reasons beyond your control, or depart from the plans and specifications for the Project; and
- (c) to correct promptly all defects in the construction of the Project as reported to us by our consultants.

14. No Builders' Liens – To preserve our security interests in the Lands and this Mortgage throughout the term of this Mortgage, you will not allow anyone to register any debt or lien of any kind on title to the Lands, which could rank prior to our security interests under this Mortgage; provided that the registration shall not be deemed to be a breach of this Mortgage if you would like to, in good faith, dispute such debt or lien and you, if we so require, give security to our satisfaction for the due payment of the amount claimed, together with possible costs, in case it is proven to be a valid lien. Upon the registration of any debt or lien against the Lands, or if any buildings being erected on the Lands remaining unfinished or without any work being done on them for a period of 10 days, the principal and interest secured by this Mortgage shall, at our option, become due and payable.

15. Performance by Us - We may at our option, at any time, pay any taxes, rates, liens, charges, encumbrances and other claims in order to maintain the title to all of the Lands and to make or keep this Mortgage a charge and encumbrance on the Lands; make arrangements for inspecting, obtaining reports of the value, state and condition of the Lands; if there is a default under this Mortgage, take care of leasing, collecting the rents of, insuring rents, insuring the Lands or improving and managing generally the Lands; and collect all monies payable under this Mortgage. If you refuse or neglect to perform any obligation under this Mortgage at the time at which you should in our sole opinion, we may, at your expense, arrange for the performance of such obligation and may enter upon the Lands for that purpose.

16. Fees and Disbursements – You will pay for all costs, fees and expenses we pay or for which we become liable in preparing, registering, maintaining or enforcing this Mortgage, including all legal costs as between solicitor and his own client on a full indemnity basis, which costs shall be treated as a part of the Principal Sum, shall bear interest at the Interest Rate, be a charge upon the Lands and shall be payable on demand. If you do not pay these fees and disbursements, we may in addition to all other rights and remedies exercise the power of sale expressed in this Mortgage.

17. Default – We can demand the performance of your obligations under this Mortgage or Our Agreement at any time and, if we so demand, the full amount of the Principal Sum, interest and any other monies secured by this Mortgage then owing by you to us shall, at our option, immediately become due and payable (even if the term of this Mortgage may not have expired) and upon being declared to be due and payable, this Mortgage shall immediately become enforceable and we may proceed to enforce it without any further requirement of notify you of our enforcement steps.

18. Enforcement - If we choose to enforce this Mortgage:

- (a) all of the monies secured by this Mortgage shall at our option become due and payable and to all intents and purposes as if the time for payment of all of the secured monies had fully come and expired;
- (b) we may enter into possession of the Lands and whether in or out of possession collect the rents and profits of the Lands, and make any demise or lease of any part of the Lands on

such terms, periods and at such rent as we think proper; and that the power of sale in this Mortgage which we may exercise may be exercised either before or after, and subject to any demise or lease we make;

- (c) it shall be lawful for, and you grant full power, right and licence to us to enter, seize and distrain upon the Lands and by distress recover as rent reserved as in the case of demise of the Lands, as much of the monies from time to time be or remaining in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (d) we may without notice to you, lease, sell and convey any part of the Lands with on such terms of cash, credit or otherwise and either by public auction or by private contract as we deem necessary in our sole discretion and in the event of a sale we shall not be accountable for or charged with any monies until actually received. Notwithstanding the power to sell and our other powers in this Mortgage, we shall have and be entitled to the right of foreclosure of the equity of redemption in the Lands as fully as if the power of sale and other powers in this Mortgage had not been contained in this Mortgage;
- (e) we may appoint a receiver and/or a manager of the Lands and/or a receiver of the rents, profits and incomes of the Lands, or may apply to any Court of competent jurisdiction in any action, cause or proceedings brought or commenced under this mortgage by reason of the default by you, for the appointment of said manager and/or receiver.

19. Receiver, Receiver/Manager – We may in writing appoint any person to be a receiver of all or any part of or interest in the Property and/or any revenues, rents and profits coming from the Property. We may remove any appointed receiver and appoint a replacement. The term "Receiver" as used in this Mortgage shall include a receiver; a manager; or a receiver and a manager. The following provisions shall apply to this paragraph:

- (a) an appointed Receiver is your agent and you shall be solely responsible for the acts or defaults and for the remuneration and expenses of the Receiver. We shall not be responsible for any misconduct or negligence by any Receiver and may, from time to time, fix the remuneration of every Receiver and be at liberty to direct the payment for the Receiver from proceeds collected;
- (b) nothing contained in this Mortgage and nothing done by us or by a Receiver shall render us a mortgagee in possession or responsible as such;
- (c) all monies received by the Receiver, after providing for payment and charges ranking prior to this Mortgage and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver in this Mortgage, shall be applied towards the monies owing pursuant to this Mortgage;
- (d) the Receiver shall have power to:
  - (i) take possession of the Lands, the Property, rents and profits, and any property charged by this Mortgage and any additional or collateral security granted by you to us and to take any proceedings, be they legal or otherwise, in your name or otherwise;

You shall promptly comply with all statutes, regulations and ordinances, and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, storage, treatment, control, removal or cleanup of regulated, hazardous or toxic substances in, on, or under the Lands or in, on or under any adjacent property that becomes contaminated with regulated, hazardous or toxic substances as a result of construction, operations or other activities on, or the contamination of, the Lands or incorporated in any Improvements (as defined below). We may, but shall not be obliged to, enter upon the Lands, take actions and incur costs and expenses to ensure your performance of your compliance obligations described in this paragraph as we deem advisable and you shall reimburse us on demand for the full amount of all costs and expenses incurred by us in connection with such compliance activities.

With respect to regulated, hazardous or toxic substances, you agree to be liable for and to indemnify us, our officers, directors, employees, agents and its shareholders and agree to hold each of them harmless from and against any and all losses, liabilities, damages, costs, expenses and claims of any and every kind whatsoever, including:

- (a) the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
- (b) any cost, liability or damage arising out of a settlement of any action entered into by us with or without your consent;

which at any time may be paid, incurred or asserted against any of them as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Lands or into or upon any land, the atmosphere, or any watercourse, body of water or wetland, of any regulated, hazardous or toxic substances. The indemnification set out in this paragraph shall survive the payment and satisfaction of your indebtedness and liability to us pursuant to this Mortgage.

11. Improvements - All erections, buildings, fences, machinery, equipment, plant and improvements fixed or otherwise, now or later put on the Lands (the "**Improvements**" and, together with the Lands, the "**Property**") are and shall immediately when placed on the Lands become fixtures and form a part of the Lands and be secured by this Mortgage. You will at all times and at your own expense sufficiently repair, maintain, and keep the Property in good and substantial order and repair all Improvements.

12. Alterations or Additions - You will not make or allow any material change, alteration or addition to the Property nor change the present use of the Lands during the term of this Mortgage or Our Agreement without our prior written consent, which shall not be unreasonably withheld. You shall not do anything where any policy of insurance on the Lands may be vitiated and you shall not use or permit any part of the Lands to be used in any way contrary to the regulations and requirements of the municipal, provincial or other governmental authority having jurisdiction over the Lands.

13. Covenants Regarding Construction - If you construct or cause to be constructed, any buildings, roads, utility services or improvements of any kind (the "**Project**") in, to or on any part of the Lands, you agree:

- (a) to carry on construction of the Project continuously, diligently and in a good and workman like manner and in accordance with applicable laws until completed in such a manner that, at all times, in our reasonable opinion, construction can be completed by such date as may be set out in Our Agreement;

- (ii) carry on the business which you are or were conducting on the Lands;
- (iii) to sell or lease or re-lease all or any portion of the Lands and the Property and for this purpose to execute contracts in your name which said contracts shall be binding upon you;
- (iv) to make any arrangement or compromise which it shall think expedient;
- (v) to the extent permitted by law carry on any development or improvement related to the Lands, and for such purpose borrow money either secured or unsecured;
- (vi) to apply the net proceeds of any sale or lease set out in this Mortgage, subject to the claims of all secured and unsecured creditors (if any) ranking in priority to this Mortgage, in payment in the following order of priority:
  - A. any costs, charges, expenses and legal fees (on a solicitor and own client basis) incurred in taking, recovering or keeping possession of the Lands or the Property or by reason of non-payment of the monies hereby secured;
  - B. in payment of any costs, charges, expenses and legal fees (on a solicitor and own client, full indemnity basis) of and incidental to the appointment of the Receiver and the exercise by it of all or any of the powers aforesaid including its reasonable remuneration and all outgoings properly payable by it;
  - C. in payment of any monies borrowed by the Receiver whether secured or unsecured for the purpose of the exercise by it of all or any of its powers as set out in this Mortgage;
  - D. in payment of interest to us as mentioned in this Mortgage;
  - E. toward payment to us of the Principal Sum or so much of it that remains unpaid;
  - F. in payment of other monies owing under this Mortgage or secured by this Mortgage; and
  - G. any surplus, if any, shall be paid to you;
- (e) the Receiver may, at our option in writing, be vested with all or any of our powers and discretions in this Mortgage;
- (f) the rights and powers granted in this paragraph are supplemental to and not in substitution for any other rights which we may have from time to time;
- (g) if this Mortgage becomes enforceable, you hereby irrevocably appoint us and any appointed Receiver to be your attorney, in your name and on your behalf to execute and perform any actions or things which you ought to execute and perform under this Mortgage and in the exercise of any of the powers held by us and any Receiver under this Mortgage.

20. Power of Attorney - In order to give effect to the powers granted in this Mortgage, including the power to collect rents and profits, the power to lease, demise or sell the Lands or any part thereof and the power to enter into any contracts with respect to all or any part of the Lands, you irrevocably constitute and appoint us your attorney upon the following terms and conditions:

- (a) the power of attorney may be exercised by us if we demand under this Mortgage or Our Agreement;
- (b) if a Receiver is appointed, then we may, at our discretion, delegate the exercise of the power of attorney granted herein, and in so doing, constitute and appoint the Receiver as our attorney for any purpose under this Mortgage;
- (c) in any exercise of the power of sale and power of attorney provided in this Mortgage, the person exercising the powers shall be at liberty to convey title subject to such liens and encumbrances as we deem fit, with all proceeds from the sale being distributed as follows:
  - (i) firstly, in payment of all solicitor and his own clients costs and disbursements incurred with respect to the sale or otherwise;
  - (ii) secondly, in payment of any fees and disbursements owing to the Receiver or our agent;
  - (iii) thirdly, in payment of any or all amounts outstanding to us, including the Principal Sum and interest outstanding under this Mortgage;
  - (iv) fourthly, in payment of any amounts claimed to be owing by the holder of any lien or encumbrance registered subsequent to this Mortgage, which, pursuant to the terms and conditions of the agreement for sale, are required to be discharged; it being understood that we shall not be bound to inquire into the validity of any lien or encumbrance; and
  - (v) lastly, the balance, if any, to be paid into an interest bearing trust account to be maintained by us or our solicitors; the balance to be releasable only upon our agreement with you or pursuant to an order of a court of competent jurisdiction.
- (d) You agree that you will not claim or assert any legal or equitable set off in any foreclosure action which may be commenced by us. Any such claim must be brought in a separate action and no such claim shall affect our recourse as against any part of the Lands.

21. Cross-Default - If a default occurs under any document, security, instrument, assurance or agreement, other than this Mortgage, now or in the future granted to us as additional security for your payment or performance of obligations under this Mortgage or Our Agreement, a default shall be deemed to have occurred under this Mortgage.

22. Due on Sale - If you, without our prior written consent, directly or indirectly sell, convey, transfer or dispose of any part of the Lands, or grant any option or right of first refusal to purchase any part of the Lands, a default shall be deemed to have occurred under this Mortgage.

23. Change of Control - If you are a corporation and there is a direct or indirect transaction or dealing which affects your share structure or share ownership and which results in a change in control or ownership

in your share capital, either legal or beneficial, without our prior written consent, except for any transfer to existing shareholders or the estate of existing shareholders, a default shall be deemed to have occurred under this Mortgage.

24. Amendments – In our sole discretion, we may release any part of the Lands or any obligation in this Mortgage and without releasing any other part of the Lands or any of the other obligations in this Mortgage, may by extension or other agreement from time to time change or agree with you to change any terms of this Mortgage, and no such change shall affect any of your other obligations under this Mortgage.

25. Renewal or Extension – If we agree to renew or extend the term of this Mortgage, such renewal or extension does not need to be registered against the title to the Lands.

26. Non-Waiver - The permitting of or the acquiescence in the non-performance or non-observance of or the extension of time for the performance of any of the obligations in this Mortgage expressed or implied, or the acceptance by us of any payment after any default shall not constitute a waiver of or cure any continuing or subsequent default, and shall not justify any default or delay on any other occasion.

27. Non-Merger - The taking of a judgment or judgments on any of the obligations in this Mortgage shall not affect our right to interest at the Interest Rate and that such judgment shall provide that interest on the judgment shall be computed at the same rate and in the same manner as provided in this Mortgage until the judgment has been fully paid and satisfied. The exercise of one of our rights or remedies in this Mortgage shall not affect, delay or prejudice any other rights or remedies in this Mortgage and will not act as a waiver of those rights and remedies. Any or all of our rights or remedies in this Mortgage may be exercised concurrently or successively. If any portion of the Principal Sum is not advanced to you on the date of this Mortgage, we may advance that unpaid portion in any sums at any future date or dates. The amounts of those advances when paid to you, shall be secured by this Mortgage and shall be repayable and be treated as if it has been advanced on the date of this Mortgage. Neither the execution nor registration of this Mortgage nor the advance of part of the Principal Sum shall bind us to advance the whole of the Principal Sum or any unadvanced portion of the Principal Sum. Nevertheless the Mortgage and charge on the Lands made by this Mortgage shall take effect upon signing of this Mortgage. The expenses from the valuation of the Lands, examination of the title and costs of the preparation, execution and registration of this Mortgage as well as any present or future security taken as collateral to the Lands shall be a charge on the Lands and be secured by this Mortgage even in the event of the Principal Sum or any part of the Principal Sum not being advanced, and those expenses shall be payable as soon as possible with interest at the Interest Rate and without demand therefor.

28. Expropriation - If any part of the Lands is condemned under any power of eminent domain or is acquired by expropriation for any public use or quasi public use, the damages, proceeds, consideration and award for such acquisition, to the extent amounts are owed by you to us under this Mortgage, are assigned by you to us and shall be paid immediately to us or our successors and assigns.

29. Prior Encumbrance Clause - If you default in the performance of the obligations in any prior mortgage, agreement for sale, charge or encumbrance (the "**Prior Charge**") registered on title to the Lands then such default shall constitute a default under this Mortgage. We shall be at liberty in case of such default, but shall not be obligated, to pay any arrears or other sums payable under the said Prior Charge, or pay off all or any portion of the principal and/or interest secured by the Prior Charge. Any amounts so paid by us shall be added to the Principal Sum, bear interest at the Interest Rate, be a charge upon the Lands, and, unless repaid to us upon demand, be recoverable from you in the same manner as if such sum had been originally advanced and secured by this Mortgage. For the purposes of tendering any arrears or

other sums payable to a holder of a Prior Charge, you irrevocably appoint us your agent for such purpose and irrevocably direct us to tender such monies upon the holder of a Prior Charge, in your name and on your behalf, and in this regard you hereby assign to us, its equity of redemption, if any, with respect to the Prior Charge together with any statutory right of redemption given to you at law. It is the intention of the parties that we shall have the same rights and powers as you under and pursuant to the terms of the Prior Charge so that we will be able to take whatever steps are necessary to bring the Prior Charge into good standing once a default has occurred under the Prior Charge. Nothing in this Mortgage shall create an obligation upon us to cure any default on your behalf. You covenant and agree that you shall not permit or allow any lien, charge, encumbrance or mortgage to be registered against the Lands excepting for this Mortgage.

30. Discharge - Any discharge of this Mortgage shall be prepared by our solicitor and we shall have a reasonable time after receipt of payment in full of all monies secured by this Mortgage to prepare, execute and deliver such discharge.

31. Interpretation - In this Mortgage and any renewals or extensions thereof or except as otherwise provided, or unless the context otherwise requires:

- (a) the subdivisions in this Mortgage are called, in descending order, "sections", "subsections", "paragraphs", "subparagraphs", "clauses", and "subclauses", and all references in this Mortgage to designated subdivisions are to the designated subdivisions of this Mortgage;
- (b) the words "hereto", "hereof", "herein" and "hereunder" and other words of similar import refer to this Mortgage as a whole and not to any particular section or other subdivision;
- (c) the headings and subheadings inserted in this Mortgage are designed for convenience only and do not form a part of this Mortgage nor are they intended to interpret, define or limit the scope, extent or intent of this Mortgage or any provision of this Mortgage;
- (d) the word "including" or "includes" or other variation thereof, when following any general statement, term or matter, shall not be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter;
- (e) all references to currency or money herein are deemed to mean lawful money of Canada;
- (f) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant that statute, with all amendments made that statute and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant to that statute;
- (g) any reference to an entity shall include and shall be deemed to be a reference to an entity that is a successor to such entity;
- (h) for the purpose of defining "the date of the Mortgage" with respect to any statutory right of prepayment, pursuant to the *Interest Act* of Canada or otherwise, the date of this Mortgage

will be conclusively deemed to be the latest of the date of the first advance hereunder, the date interest commences running or the date of signing;

- (i) where this Mortgage is executed by more than one party, all covenants and agreements herein contained shall be construed and taken as against such executing parties as joint and several;
- (j) the heirs, executors, administrators, successors and permitted assigns of any party executing this Mortgage are jointly and severally bound by the obligations and terms in this Mortgage;
- (k) the obligations and terms in this Mortgage and our rights, remedies and powers in this Mortgage shall be in addition to and not in substitution those granted or implied by equity, any law or any statute whatsoever;
- (l) wherever the singular, the masculine or the neuter is used, the same shall be construed as meaning the plural or feminine or a body politic or corporate where the context or the parties to this Mortgage so require, and where a party is more than one person, all covenants shall be deemed to be joint and several.

32. Other clauses that apply to this Mortgage

Any notice to be delivered under this Mortgage will be in writing and may be validly served by personal delivery, by prepaid registered mail at your last known address or at the address of any of your directors or officers or, by email to you or any of your directors or officers at an email address maintained or owned by you and used by your directors or officers. In the case of mail, such notice will be deemed to be received by you on the third business day following the date of mailing.

We may grant extensions of time or other indulgences to you that are not strictly consistent with the terms of this Mortgage. We may also obtain additional security or release security we hold. We may settle or release your obligations or otherwise deal with you or any other security or credit facilities we hold. None of these things affects your liability to us, or our right to hold the Lands or enforce our rights against it, until we have been paid in full.

This Mortgage will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

If a portion of this Mortgage is invalid, then this Mortgage will be interpreted as if the invalid portion had not been a part of it.

This Mortgage will be governed by the laws of the Province of Ontario. You irrevocably agree and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario, provided that nothing in this Mortgage shall prevent us from proceeding, at our choice, to commence a lawsuit or proceeding against you in the courts of any other court of competent jurisdiction. In accordance with the laws of the Province of Ontario, we note the additional terms and conditions:

- (a) You agree with CWB that in accordance with subsection 7(3) of the *Land Registration Reform Act* (Ontario), the terms deemed to be included in a charge by subsection 7(1) of that act are expressly excluded from this Mortgage.



33. Collateral Obligations - You further covenant with us that this Mortgage is granted by you as continuing collateral security for the payment of all of your indebtedness owing to us together with interest, costs and other expenses, at all times, until paid in full. For the purposes of this Mortgage, indebtedness means all debts, liabilities and obligations, present and future, direct or indirect (including guarantees granted by you in favour of us) absolute or contingent, matured or not, of you to us, whether arising from Our Agreement or any agreement or dealings between us and you, or from any agreement or dealings with any another person by which we may be or become in any manner your creditor and whether you are bound alone or with another person as principal or surety.

34. Charging Clause - AND for better securing to the mortgagee the repayment in manner set out above of the principal sum and interest (and other amounts hereby secured), the mortgagor hereby mortgages to the mortgagee all its estate and interest in the Lands.

**REMAINDER OF PAGE LEFT INTENTIONALLY BLANK**

The Mortgagor has executed this Mortgage on the 19th day of April, 2022.

**1019883 ONTARIO INC.**

Per: 

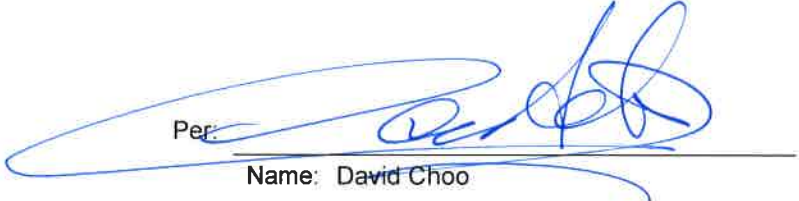
Name: David Choo

Title: President and Secretary- Treasurer

I have authority to bind the Corporation.

**Guarantors:**

**ASHCROFT HOMES INC.**


Per: 


Name: David Choo

Title: Director

I have authority to bind the Corporation.

  
\_\_\_\_\_  
**Witness (signature)**

  
\_\_\_\_\_  
**DAVID CHOO**

  
\_\_\_\_\_  
**Name (please Print)**

**SCHEDULE "A"**

**Legal Description**

PCL 27-22, SEC NEPEAN-A RIDEAU FRONT; PT LT 27, CON A RIDEAU FRONT, PART 1 & 2 , 4R7847;  
T/W ROW PT 5, 4R7847 AS IN LT757172 ; S/T LT408623, LT409186, LT424426, LT424520, LT427435,  
LT499796 NEPEAN; CITY OF OTTAWA; THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON.

**PIN 04626-0026 (LT)**

Municipally known as: 18 Antares Drive, Ottawa, Ontario K2E 1A9

- (a) Permitted Encumbrances

This is Exhibit "H" referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**

## ASSIGNMENT OF RENTS

THIS INDENTURE made this 19 day of April, 2022.

BETWEEN:

**1019883 ONTARIO INC.**

hereinafter called the "Assignor"

OF THE FIRST PART,

and

**CANADIAN WESTERN BANK**

hereinafter called the "Assignee"

OF THE SECOND PART.

WHEREAS, by a Mortgage registered in the Land Registry Office for the Land (Registry/Titles) Division in Ottawa-Carleton against 18 Antares Drive, Ottawa, Ontario K2E 1A9 the Assignor herein did grant and mortgage unto the Assignee herein the lands and premises more particularly described in Schedule "A" hereto annexed which Mortgage secures payment of the sum **FOUR MILLION FOUR HUNDRED THOUSAND (\$4,400,000.00) DOLLARS** and interest as therein mentioned and which Mortgage is hereinafter referred to as "the mortgage". Whenever in this indenture reference is made to the Mortgage, it shall be deemed to include any renewals or extensions thereof and any Mortgage taken in substitution therefor either in whole or in part;

AND WHEREAS it is a condition of the lending of the monies secured or to be secured by the Mortgage, that the Assignor should assign to the Assignee, its successors and assigns, the rents reserved and payable and/or **intended** to be reserved and payable under, and all advantages and benefits to be derived from, current as well as any future leases of premises erected on the lands and premises more particularly described in Schedule "A" hereto (the "Leases") now or hereafter entered into by the Assignor as landlord with tenants thereof (Lessees), as additional security for the payment of the money secured by the Mortgage, and for the performance of the covenants contained therein;

AND WHEREAS it is agreed that notwithstanding anything in this Indenture contained, the Assignee is not to be bound to advance the said mortgage monies or any unadvanced portion thereof;

NOW THEREFORE THIS INDENTURE WITNESSETH that the Assignor in consideration of the premises, the making of the said Mortgage, and the sum of One (\$1.00) Dollar now paid by the Assignee to the Assignor (the receipt whereof is hereby acknowledged), doth covenant and agree with the Assignee as follows:

1. The Assignor hereby irrevocably transfers, assigns, and sets over to the Assignee all rents reserved and payable under the Leases and all benefits and advantages to be derived therefrom, to hold and receive the same unto the said Assignee, its successors and assigns.
2. The Assignor covenants and agrees with the Assignee that the Assignor will not, without the consent in writing of the Assignee, permit any prepayment of rents payable under any of the Leases that will result in more than two months of such rents being prepaid under such Leases, or variation, cancellation or surrender of any of the Leases, or of the terms, covenants, provisos or conditions thereof.
3. The Assignor covenants with the Assignee to perform and observe all the covenants, conditions and obligations binding upon it under the Leases.

4. The Assignor covenants and agrees irrevocably with the Assignee that the Assignee shall have the right to sue for payment and/or for enforcing anything in this Indenture herein contained in any or all of the following ways:

- (a) in its own name;
- (b) in the name of the Assignor, and
- (c) in the names of both the Assignor and the Assignee jointly.

5. The Assignor agrees to assign any of the said Leases to the Assignee upon request should the Assignee deem such assignment advisable for the protection of its security, such assignment to be on a form to be prepared by the Assignee's solicitors in such case.

6. PROVIDED, however, that until notified to the contrary in writing the Lessees shall pay the rent reserved under the Leases, (but only to the extent that the same may be due and payable under the Leases) to the said Assignor and any notice to the contrary required by this proviso may be effectively given by sending the same by registered mail to any Lessee at its premises on the lands and premises described in Schedule "A" hereto or by delivering the same personally to any Lessee, or an officer of such Lessee.

7. The Assignor does hereby declare that any direction or request from the Assignee to pay the rents reserved to the Assignee shall be sufficient warrant and authority to the said Lessee to make such payments, and the payments of the said rentals to the Assignee shall be and operate as a discharge of the said rents to the said Lessee.

8. The Assignor covenants and agrees with the Assignee not to renew nor extend any of the Leases at rentals reserved and payable of lesser amounts than are now reserved and payable under such Leases unless compelled to do so as the result of an Arbitration Award, or with the consent of the Assignee.

9. The Assignee covenants and agrees with the Assignor to release this Assignment of Rents upon payment in full of the Mortgage in accordance with the terms thereof and that the Assignee will, at the request and cost of the Assignor, reassign any unmatured rents to the Assignor. In the absence of such a request the delivery to the Assignor of a discharge or cessation of the Mortgage shall operate as a release and reassignment of such rents.

10. The Assignor hereby covenants and agrees to and with the Assignee that this Assignment and everything herein contained shall be irrevocable without the consent of the Assignee.

11. PROVIDED that nothing in this Indenture contained shall be deemed to have the effect of making the Assignee responsible for the collection of the said rents or any part thereof or for the performance of any covenants, terms or conditions either by the Assignor or by the Lessees contained in any of the said Leases, and that the Assignee shall not by virtue of these presents be deemed a mortgagee in possession of the lands and premises described in Schedule "A" hereto and the Assignee shall not be liable to account for any monies other than those actually received by it by virtue of these presents.

12. IT IS AGREED that waiver of or failure to enforce at any time or from time to time any of the rights of the Assignee under or by virtue of this Indenture shall not prejudice the Assignee's rights in the event of the breach, default or other occasion for the exercise of such rights again occurring.

13. IT IS HEREBY DECLARED AND AGREED that these presents and everything herein contained shall enure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns.

IN WITNESS WHEREOF the Assignor has hereunto affixed its corporate seal under the hands of its proper signing officers duly authorized in that behalf.

SIGNED, SEALED AND DELIVERED

**1019883 ONTARIO INC.**

By: 

Name: **DAVID CHOO**

Title: President and Secretary-Treasurer

I have authority to bind the Corporation.

**SCHEDULE "A"**

Description of Property

**Legal description:**

Municipally known as **18 Antares Drive, Ottawa, Ontario K2E 1A9.**

**PIN: 04626-0026 (LT)**

PCL 27-22, SEC NEPEAN-A RIDEAU FRONT; PT LT 27, CON A RIDEAU FRONT, PART 1 & 2, PLAN 4R7847; T/W ROW PT 5, 4R7847 AS IN LT757172; S/T LT408623, LT409186, LT424426, LT424520, LT427435, LT499796 NEPEAN; CITY OF OTTAWA, THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON.



This is Exhibit "I" referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**

**ASSIGNMENT OF ALL RISKS INSURANCE & GENERAL LIABILITY AND  
FIRE INSURANCE**

TO: CANADIAN WESTERN BANK  
Suite 101  
2000 Argentia Road, Plaza 1  
Mississauga, Ontario L5N 1P7

RE: Policy No \_\_\_\_\_

Dated the 19<sup>th</sup> day April of 2022

Regarding Loan from CANADIAN WESTERN BANK to 1019883 Ontario Inc. and pursuant to Credit Agreement dated March 18, 2022.

The undersigned in consideration of good and valuable consideration, the receipt of which is hereby acknowledged, assigns, transfers and sets over unto CANADIAN WESTERN BANK (the "Bank") all the right, title and interest of the Undersigned in or to all moneys which may become payable to the Undersigned under and by virtue of the policy of insurance referred to above and the said Bank is hereby authorized to receive the said moneys and give effectual receipts and discharge thereof.

**1019883 ONTARIO INC.**

Per: 

Name: David Choo

Title: President and Secretary- Treasurer

I have authority to bind the Corporation.

RE: CANADIAN WESTERN BANK as first (1<sup>st</sup>) loss payee and mortgagee on 18 Antares Drive, Ottawa, Ontario K2E 1A9, legally described as PIN 04626 0026 (LT) PCL 27-22, SEC NEPEAN-A RIDEAU FRONT; PT LT 27, CON A RIDEAU FRONT , PART 1 & 2 , 4R7847; T/W ROW PT 5, 4R7847 AS IN LT757172; S/T LT408623, LT409186, LT424426, LT424520, LT427435, LT499796 NEPEAN; CITY OF OTTAWA, pursuant to commitment letter dated March 18, 2022

INSURANCE COMPANY:

Name:

Address:

Telephone Number:

Fax Number:

BROKER INFORMATION:

Name:

Address:

Telephone:

FAX:

This is Exhibit “J” referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**

**DEBT SERVICE AND COST OVERRUN AGREEMENT**

<b>TO: CANADIAN WESTERN BANK</b>		
Name of borrower: <b>1019883 ONTARIO INC.</b> (the " <b>Borrower</b> ")	Aggregate amount of loan(s): \$4,400,000.00	Date of offer letter: March 18, 2022 (the " <b>Offer Letter</b> ")

In consideration and as a condition of CANADIAN WESTERN BANK (the "**Lender**") agreeing to make available to the Borrower the loan(s) (the "**Loan**") in the aggregate amount set out above pursuant to the terms of the Offer Letter, as may be amended or replaced from time to time, from the Lender to the Borrower, and in consideration of \$1.00 and other good and valuable consideration now paid by the Lender to the undersigned (receipt of which is hereby acknowledged), the undersigned hereby irrevocably agrees and undertakes with the Lender as follows:

1. If the Borrower defaults in making full payment of any instalment of interest at the time and in the manner agreed to pursuant to the Offer Letter or the security documents (the "**Security Documents**") referred to therein, and such default shall continue for 30 days or more, the undersigned shall, forthwith on demand by the Lender, pay to the Lender the amount of the unpaid interest.
2. In addition, if a budget shortfall amount (as described below) has arisen and has continued for 30 days or more, the undersigned shall, on demand by the Lender, forthwith pay to the Lender such monies as are required to satisfy the budget shortfall amount, being the amount, if any, by which the aggregate cost, as determined by the Lender, to complete construction of the Project (as defined in the Offer Letter) including the interest estimated to accrue due on the Loan to the date of completion of the Project, exceeds the unadvanced portion of the Loan (or if the Loan comprises more than one loan, exceeds the unadvanced portion of the construction loan included in the Loan). The monies so paid to the Lender shall be held by the Lender as cash collateral to secure the obligation of the Borrower to the Lender until released by the Lender in its discretion for injection by the Borrower into the Project to satisfy the budget shortfall.
3. The obligations of the undersigned under paragraphs 1 and 2 shall be continuing obligations in favour of the Lender which shall not be terminated by reason of a demand being made on the undersigned by the Lender hereunder, and the Lender shall be entitled to demand and redemand payment by the undersigned under paragraphs 1 and 2 from time to time and at any time.
4. Nothing herein contained shall prejudice or limit the right of the Lender to make demand for repayment by the Borrower of the Loan as provided in the Offer Letter. In the event of such demand being made, the undersigned shall be obligated under paragraph 1 to make payment

of interest accruing under the Loan on the last day of each month until the Loan is repaid in full.

5. The records of the Lender shall be conclusive evidence of the interest payable to it from time to time, and/or the failure of the Borrower to pay any interest when the same becomes due under the Loan and the Security Documents.
6. This Agreement shall be in addition to and not in substitution for the Security Documents or other security now held or hereinafter acquired by the Lender, and the Lender may do all or any of the following:
  - (a) grant time, renewals, extensions, indulgences, releases and discharges to;
  - (b) take securities from;
  - (c) abstain from taking additional security from;
  - (d) abstain from perfecting securities of;
  - (e) accept compositions from; and
  - (f) otherwise deal with

the undersigned, the Borrower and all other persons and securities, including the Security Documents as the Lender may see fit without prejudice to the rights of the Lender under this Agreement or any other securities, including the Security Documents.


7. The taking of judgement on any covenant contained herein shall not operate to create any merger or discharge of any form held or which may be held hereafter by the Lender from the undersigned or the Borrower or from any other person or persons whomsoever.
2. If any one or more of the provisions contained in this Agreement should be determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
3. This Agreement shall enure to the benefit of the Lender and be binding on the undersigned and its heirs, executors, administrators, successors, and assigns. In the event that this Agreement is executed by more than one party, the obligations hereunder of each of the undersigned shall be joint and several, but the failure of any other party or parties to sign this or any other Debt Service Agreement shall in no way limit or prejudice the liability of the undersigned to the Lender.
4. Whenever the singular or the body politic or corporate is used herein the same shall be deemed to include the plural on the masculine or the feminine where the context or the parties so require.
5. Any notice or demand referred to herein may be delivered, transmitted by facsimile machine ("**fax**"), or may be mailed by prepaid ordinary mail to the undersigned at the number or address set out below, or such number or address of which such party shall advise the Lender in writing from time to time, and the undersigned shall be deemed to have received such

notice or demand on the date of delivery, if delivered, on the day following transmission, if transmitted by fax, or three (3) days after mailing, if mailed.

6. All reasonable legal costs incurred by the Lender in the enforcement of this Agreement shall be for the account of the undersigned.
7. This Agreement shall in all respects be governed by and be construed in accordance with the laws of the Province of Ontario.
8. This Agreement shall not be amended or varied or deemed to be amended or varied unless amended or varied by written instrument signed by a duly authorized officer of the Lender.
9. It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Il est la volonté expresse des Parties que cette convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

**IN WITNESS WHEREOF** this Agreement has been executed by the undersigned as of the 19th day of April, 2022.

**1019883 ONTARIO INC.**

By:   
Name: **David Choo**  
Title: President and Secretary-Treasurer

I have authority to bind the Corporation.

**ASHCROFT HOMES INC.**

By:   
Name: **David Choo**  
Title: Director

I have authority to bind the Corporation.

Tara Bonzo  
Witness (signature)

  
DAVID CHOO

Tara Bonzo  
Name (Please Print)



This is Exhibit “K” referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



# ENVIRONMENTAL AGREEMENT AND INDEMNITY

THIS AGREEMENT AND INDEMNITY dated for reference 21 April 2022 but actually executed

MADE BY: (Borrower(s) name and address)

1019883 Ontario Inc.

18 Antares Drive, Suite 102  
Ottawa, Ontario K2E 1A9

(together the "Borrower(s)")

and: (Guarantor(s) name and address)

Ashcroft Homes Inc. (18 Antares Drive, Ottawa, Ontario K2E 1A9)

David Choo (18 Antares Drive, Ottawa, Ontario K2E 1A9)

(the Borrower and the Guarantors are collectively referred to as the "Indemnitors")

FOR THE BENEFIT OF:

CANADIAN WESTERN BANK, a chartered bank of Canada, having a branch office at:

Suite 101, 2000 Argentia Road, Plaza 1, Mississauga, Ontario L5N 1P7

(the "Lender")

WHEREAS:

A. The Borrowers have borrowed or may borrow money from the Lender or have incurred or may incur obligations to the Lender either direct, indirect, absolute, contingent, past or future, matured or not (the "Obligations");

B. As security for the Obligations, the Borrower, 1019883 Ontario Inc., granted to the Lender a mortgage (the "Mortgage") dated for reference 21 April 2022, which Mortgage charges the lands and premises described in Schedule "A" hereto (herein referred to as the "Lands");

C. The Guarantors have guaranteed to the Lender repayment and performance of the Obligations by the Borrower;

D. Every loan agreement, commitment letter, the mortgage and all other security and supporting documents now or hereafter entered into with or granted to the Lender in connection with or as security for the Obligations are herein collectively referred to as the "Loan Documents";

E. As one of the conditions of dealing with the Borrowers, the Lender requires that the Indemnitors make the representations and warranties and enter into the covenants set out in this Agreement and that they indemnify the Lender against any loss, claim, or expense arising out of the environmental liabilities more fully set out herein;

NOW THEREFORE IN CONSIDERATION of the premises and other good and valuable consideration, the Indemnitors jointly and severally covenant and agree with the Lender as follows:

## 1. Definitions

The following terms used in this Agreement and Indemnity shall have the following meanings and all singular definitions may be used in the plural to mean more than one of the term defined and vice-versa:

"Environmental Claims" - any and all enforcement, clean-up, removal or other governmental or regulatory actions, orders, directions or proceedings instituted, pending or completed or to the best of the knowledge of the Borrower, threatened or anticipated pursuant to any Environmental Law and all claims made or, to the best of the knowledge of the Borrower, threatened, by any third party against the Borrower, any of the Lands or any party having charge, management or control of any of the Lands relating to damage, contribution, costs recovery, compensation, loss or injury resulting from any violation or alleged violation of Environmental Law.

"Environmental Law" - any applicable federal, provincial, municipal or local laws, statutes, ordinances, codes, by-laws, regulations, rules, orders, directives, decisions, policies, instructions, guidelines or decrees regulating, relating to or imposing liability or standards of conduct concerning any environmental matters, occupational health and safety or the manufacture, processing, distribution, use, treatment, storage, disposal, packaging, transport, handling, containment, clean-up or other remediation or corrective action of any Hazardous Substances including, but not limited to, matters related to air pollution, water pollution, noise control, or hazardous material and any similar, replacement or supplemental Acts and all regulations, orders or decrees, now or hereafter made pursuant to any of the foregoing.

"Environmental Liability" - any claim, demand, obligation, cause of action, accusation, allegation, order, violation, damage, injury, judgment, penalty or fine, cost of enforcement, cost of remedial action, or any other cost or expense whatsoever, including legal fees and disbursements, on a solicitor and own client basis, resulting from the violation or alleged violation of any Environmental Law or from any Environmental Claims, including, without limitation, any one or more of the following:

- (a) claims of third parties (including governmental agencies) for damages, penalties, response costs, administrative costs, injunctive, declaratory or other relief;
- (b) expenses, including fees of lawyers and experts, of reporting and/or investigating the existence of Hazardous Substances on or beneath the Lands or any release of Hazardous Substances from the Lands;
- (c) expenses or obligations incurred at, before and after any trial or appeal or administrative proceeding brought under any Environmental Law, including, without limitation, legal fees and disbursements, on a solicitor and own client basis, witness fees (expert and otherwise), deposition costs, consultant costs, costs for the Lender's own employees, copying, telephone charges and other expenses.

"Hazardous Substances" - collectively, any pollutants, contaminants, chemicals, deleterious substances, waste or industrial, toxic or hazardous wastes (including, without limitation, special waste and subject waste) or other substances including, without limitation, petroleum or petroleum products, asbestos, polychlorinated biphenyls, underground storage tanks and the contents thereof, urea formaldehyde foam insulation, explosive materials, flammable materials and radioactive materials.

"Loan Documents" - collectively, every commitment letter, loan agreement, the Mortgage and all other security supporting documents now or hereafter entered into with or granted to the Lender in connection with or as security for the Obligations.

## 2. Representations and Warranties

The Indemnitors hereby represent and warrant to the Lender that:

- (a) to the best of the knowledge of the Indemnitors after due inquiry, the Indemnitors, the Lands, the activities and operations of the Indemnitors and, those of any party having charge, management or control of the Lands, have been and are in compliance with all Environmental Laws;

- (b) to the best of the knowledge of the Indemnitors after due inquiry, none of the Lands or any of the activities or operations of the Indemnitors, or those of any party having charge, management or control of the Lands is subject to any Environmental Claims;
- (c) no Indemnitor has received notice of any judicial or administrative proceeding alleging the violation of any Environmental Laws and no Indemnitor has received notice of or is subject to any Environmental Claims;
- (d) no Indemnitor or, to the best of the knowledge of the Indemnitors after due inquiry, any party having charge, management or control of the Lands has ever caused or permitted any Hazardous Substance to be placed, held, located, stored or disposed of on, in, under, through or at the Lands or any part thereof in contravention of any Environmental Laws;
- (e) no Indemnitor or, to the best of the knowledge of the Indemnitor after due inquiry, any party having charge, management or control of the Lands has caused or permitted, nor has there been, any release, emission, spill or discharge in any manner whatsoever of any Hazardous Substance on, in, around, from or in connection with the Lands or any such release on or from a facility owned or operated by any third party but with respect to which any Indemnitor is or may reasonably be alleged to have liability; and
- (f) the Indemnitors have delivered to the Lender true and complete copies of all environmental audits, evaluations, assessments, studies or tests relating to the Lands in the possession or control of the Idemnitors.

### **3. Covenants**

The Idemnitors hereby covenant and agree with the Lender as follows:

- (a) to comply and cause all tenants of the Lands and all other parties having charge, management or control of the Lands to comply with all Environmental Laws;
- (b) each Indemnitor shall, promptly after it becomes aware of the same, advise the Lender in writing of;
  - (i) any and all Environmental Claims,
  - (ii) any remedial or clean-up action taken by the Idemnitors or any other party in response to:
    - A. Hazardous Substances in, on, under or about the Lands in violation of Environmental Laws, or
    - B. Environmental Claims, and
  - (iii) any release of Hazardous Substances on any real property adjoining or in the vicinity of the Lands in each case to the extent the same could have an adverse effect on the Borrower's business or could impair the value of the Lands;
- (c) to provide the Lender with copies of all communications with any federal, provincial, municipal or local government ministry, department or agency relating to non-compliance or alleged non-compliance with Environmental Laws and all communications with any party relating to Environmental Claims;
- (d) if the Indemnitors have an obligation to give notice or have given notice pursuant to subsection (b) above with respect to the Lands, then, if requested by the Lender, to submit a report, the scope of which is satisfactory to the Lender, prepared by an environmental consultant approved by the Lender, describing the environmental condition of the Lands;

- (e) to take or cause to be taken any and all necessary remedial or clean-up action in response to the presence, storage, use, disposal, transportation, release or discharge of any Hazardous Substance in, on, under or about the Lands:
  - (i) in compliance with all applicable Environmental Laws, and
  - (ii) in accordance with the orders and directions of all applicable federal, provincial, municipal and local authorities;
- (f) to permit, and to cause any party in charge, management or control of the Land to permit, the Lender and its agents, employees consultants and contractors to enter on the Lands and perform such tests on the Lands as are necessary to conduct a review and/or investigation of the environmental condition of the Lands;
- (g) not to create or permit to continue in existence any lien (whether or not such lien has priority over the lien created by the Mortgage) on any Lands and imposed pursuant to Environmental Laws; and
- (h) to deliver to the Lender a true and complete copy of all environmental audits, evaluations, assessments, studies or tests relating to the Lands forthwith after the completion thereof.

#### **4. Indemnity**

The Indemnitors hereby indemnify the Lender and agree to hold the Lender harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and all claims of any and every kind whatsoever, including, without limitation, any Environmental Liability, paid, incurred or suffered by, or asserted against, the Lender for, with respect to, or as a direct or indirect result of:

- (a) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the Lands, of any Hazardous Substances; or
- (b) the cost of removal or remediation of any Hazardous Substances regardless of whether or not caused by or within the control of the Indemnitors;

provided however, that this indemnity shall not apply to losses, liabilities, damages, injuries, costs, expenses and claims arising from Hazardous Substances brought on to the Lands at any time by the Lender, any agent or employee of the Lender or any receiver, receiver-manager or other person with similar powers appointed by the Lender or brought on to the Lands by any person (other than by any Indemnitor) after any date the Lender acquires title to the Lands.

#### **5. Survival**

The obligations of the Indemnitors under this Agreement and Indemnity shall survive any one or more of the following:

- (a) judicial or extra-judicial realization or other proceedings by the Lender including, without limitation, the appointment of a receiver or receiver-manager or foreclosure under the Mortgage or any conveyance of the Lands in lieu of realization or foreclosure; or
- (b) the payment in full of the Obligations and the satisfaction and release of the Loan Documents.

#### **6. Recourse**

This Agreement and Indemnity shall not be subject to any non recourse or other limitation of liability provisions in the Loan Documents, and the Indemnitors acknowledge that their obligations under this Agreement and Indemnity are not limited by any such non recourse or similar limitation of liability provisions.

## **7. Payment**

The costs, damages, liabilities, losses, claims, expenses (including legal fees and disbursements) for which the Lender is indemnified hereunder shall be reimbursable to the Lender as incurred without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and the Indemnitors shall pay such costs, damages, liabilities, losses, claims, expenses (including legal fees and disbursements) to the Lender as incurred within 10 days after notice from the Lender itemizing the amounts incurred to the date of such notice. In addition to any remedy available for failure to periodically pay such amounts, such amounts shall thereafter bear interest at the highest rate of interest payable pursuant to the Loan Documents. Payment by the Lender shall not be a condition precedent to the obligations of the Indemnitors under this Agreement and Indemnity.

## **8. Notices**

Any notice or communication permitted or required hereunder shall be in writing and shall be given to the Indemnitors at the address of the Borrower set forth in the Loan Documents and shall be given to the Lender at its address set forth in the Loan Documents.

## **9. Indemnitor's Acknowledgment**

The Indemnitors acknowledge that this Agreement and Indemnity has been delivered in connection with a fully negotiated commercial business transaction in which the Indemnitors were represented by a solicitor and the Indemnitors further acknowledge having read this Agreement and Indemnity and having had the contents explained to them by their own solicitor. The only defence to this Agreement and Indemnity shall be the payment in full, after demand by the Lender, without set-off, deduction, compensation or abatement of the amounts from time to time notified by the Lender to be due pursuant to paragraph 7 hereof. The Indemnitors waive each and every other defence to any claim on this Agreement and Indemnity. There are no implied conditions, terms or agreements relating to this Agreement and Indemnity. This Agreement and Indemnity cannot be amended and no collateral agreement can be created which relates to this Agreement and Indemnity unless it is in writing, signed by the Lender under seal and expressly refers to this Agreement and Indemnity and specifically provides that it is a modification hereof. This Agreement and Indemnity covers all agreements between the parties hereto relative to the subject matter hereof and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein. The Indemnitors acknowledge that the Lender in deciding to deal with or continue to deal with the Borrower has relied on the fact that this Agreement and Indemnity shall be enforceable in accordance with its express written terms.

## **10. Governing Law**

This Agreement and Indemnity shall in all respects be governed by and construed in accordance with the laws of \_\_\_\_\_ and the laws of Canada applicable therein.

## **11. Non-Waiver**


The failure of any party to enforce any right or remedy hereunder, or to promptly enforce any such right or remedy shall not constitute a waiver thereof nor give rise to any estoppel against such party, nor excuse any of the parties from their obligations hereunder. Any waiver of such right or remedy must be in writing and signed by the party to be bound. This Agreement and Indemnity is subject to enforcement at law and/or equity, including actions for damages and/or specific performance. Time is of the essence hereof.

## **12. Enurement**

This Agreement and Indemnity shall be binding on the Indemnitors and each of the heirs, executors, administrators, successors and assigns and it shall enure to the benefit of the Lender and its successors and assigns. The obligations of the Indemnitors hereunder are joint as well as several.


IN WITNESS WHEREOF the Indemnitors have executed the Agreement and Indemnity

1019883 ONTARIO INC.

per:   
Authorized Signatory: David Choo, President and Secretary-Treasurer

per: \_\_\_\_\_  
Authorized Signatory:

ASHCROFT HOMES INC. - Guarantor

per:   
Authorized Signatory: David Choo - Director

per:   
Authorized Signatory:

DAVID CHOO - Guarantor

per:   
Authorized Signatory:

per: \_\_\_\_\_  
Authorized Signatory:

## **SCHEDULE "A"**

### **Legal Description**

PIN: 04626-0026 (LT)

PCL 27-22, SEC NEPEAN-A RIDEAU FRONT; PT LT 27, CON A RIDEAU FRONT, PART 1 & 2 , PLAN 4R7847; T/W ROW PT 5, 4R7847 AS IN LT757172; S/T LT408623, LT409186, LT424426, LT424520, LT427435, LT499796 NEPEAN; CITY OF OTTAWA; THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON.

Municipal Address: 18 Antares Drive, Ottawa, Ontario K2E 1A9



This is Exhibit “L” referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

---

*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND  
REGISTRY  
OFFICE #4

04626-0026 (LT)

PAGE 1 OF 2  
PREPARED FOR Jayamalar  
ON 2024/05/14 AT 18:01:12

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

PROPERTY DESCRIPTION: PCL 27-22, SEC NEPEAN-A RIDEAU FRONT ; PT LT 27, CON A RIDEAU FRONT , PART 1 & 2 , 4R7847 ; T/W ROW PT 5, 4R7847 AS IN LT757172 ; S/T LT408623,LT409186,LT424426,LT424520,LT427435,LT499796 NEPEAN

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE  
ABSOLUTE

RECENTLY:

FIRST CONVERSION FROM BOOK FA-11

PIN CREATION DATE:

1994/08/22

OWNERS' NAMES

1019883 ONTARIO INC.

CAPACITY SHARE

BENO

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p><b>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1994/08/22 ON THIS PIN**</b></p> <p><b>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1994/08/22**</b></p> <p><b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</b></p>						
CR475141	1964/04/06	NOTICE REMARKS: SKETCH ATTACHED				C
NS146175	1982/03/26	ORDER IN COUNCIL REMARKS: AMENDMENT				C
NS146176	1982/03/26	ORDER IN COUNCIL REMARKS: AMENDMENT				C
LT408623	1985/05/09	TRANSFER EASEMENT			BELL CANADA/THE BELL TELEPHONE COMPANY OF CANADA	C
LT409186	1985/05/15	TRANSFER EASEMENT			THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF NEPEAN	C
LT424426	1985/09/05	TRANSFER EASEMENT			THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF NEPEAN	C
LT424520	1985/09/06	TRANSFER EASEMENT			BELL CANADA	C
LT427435	1985/09/30	TRANSFER EASEMENT			BELL CANADA	C
LT429669Z	1985/10/17	APL ANNEX REST COV				C
LT473951	1986/09/23	NOTICE			THE CORPORATION OF THE CITY OF NEPEAN	C
LT499796	1987/04/08	TRANSFER EASEMENT			THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON	C
4R7847	1992/01/08	PLAN REFERENCE				C
LT823449	1993/04/02	TRANSFER	\$250,000		1019883 ONTARIO INC.	C

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.



PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND  
REGISTRY  
OFFICE #4

04626-0026 (LT)

PAGE 2 OF 2  
PREPARED FOR Jayamalar  
ON 2024/05/14 AT 18:01:12

\* 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
LT830058	1993/05/26	NOTICE			THE CORPORATION OF THE CITY OF NEPEAN	C
LT1362713	2001/02/21	APL (GENERAL) <i>REMARKS: RE: LT1362711</i>		MONTROSE MORTGAGE CORPORATION LTD	1019883 ONTARIO INC.	C
LT1381795	2001/05/04	NOTICE OF LEASE		1019883 ONTARIO INC.	ASHCROFT HOMES INC.	C
OC1135995	2010/07/16	NOTICE <i>REMARKS: AIRPORT ZONING REGULATION</i>		HER MAJESTY THE QUEEN IN RIGHT OF CANADA		C
OC2481152	2022/04/21	CHARGE	\$4,500,000	1019883 ONTARIO INC.	CANADIAN WESTERN BANK	C
OC2481153	2022/04/21	NO ASSGN RENT GEN <i>REMARKS: OC2481152</i>		1019883 ONTARIO INC.	CANADIAN WESTERN BANK	C

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.

This is Exhibit “M” referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



**Ontario Search Results**  
**ID 2577888**  
**Search Type [BD] Business Debtor**

**Liens : 2 Pages : 3**

**Searched** : 02DEC2024 10:25 AM  
**Printed** : 02DEC2024 10:27 AM

PSSME02            PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM            12/02/2024  
CCCL369            DISPLAY 1C REGISTRATION - SCREEN 1            10:23:32  
ACCOUNT : 009233-0001            FAMILY : 1 OF 2            ENQUIRY PAGE : 1 OF 3  
FILE CURRENCY : 01DEC 2024  
SEARCH : BD : 1019883 ONTARIO INC.

00 FILE NUMBER : 782121519    EXPIRY DATE : 19APR 2027 STATUS :  
01 CAUTION FILING :            PAGE : 001 OF 2            MV SCHEDULE ATTACHED :  
   REG NUM : 20220419 1622 1590 8187 REG TYP: P    PPSA    REG PERIOD: 5  
02 IND DOB :            IND NAME:  
03 BUS NAME: 1019883 ONTARIO INC.

OCN : 1019883

04 ADDRESS : 18 ANTARES DRIVE, SUITE 102  
   CITY : OTTAWA            PROV: ON            POSTAL CODE: K2E 1A9  
05 IND DOB :            IND NAME:  
06 BUS NAME:

OCN :

07 ADDRESS :  
   CITY :            PROV:            POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
   CANADIAN WESTERN BANK

09 ADDRESS : 2000 ARGENTIA ROAD, SUITE 101, PLAZA 1  
   CITY : MISSISSAUGA            PROV: ON            POSTAL CODE: L5N 1P7  
CONS.            MV            DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10            X            X  
   YEAR MAKE            MODEL            V.I.N.

11  
12

GENERAL COLLATERAL DESCRIPTION

13 NOTICE OF ASSIGNMENT OF RENTS CONTAINS COVENANT BY THE DEBTOR NOT TO  
14 GRANT SECURITY INTERESTS IN OR TRANSFER TO THIRD PARTIES THE  
15 COLLATERAL WITHOUT THE CONSENT OF THE SECURED PARTY, INCLUDING BUT  
16 AGENT: SCHWARZ LAW PARTNERS LLP  
17 ADDRESS : 1984 YONGE STREET  
   CITY : TORONTO            PROV: ON            POSTAL CODE: M4S 1Z7

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 12/02/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 10:23:33  
ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 2 OF 3  
FILE CURRENCY : 01DEC 2024  
SEARCH : BD : 1019883 ONTARIO INC.

00 FILE NUMBER : 782121519 EXPIRY DATE : 19APR 2027 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20220419 1622 1590 8187 REG TYP: REG PERIOD:  
02 IND DOB : IND NAME:  
03 BUS NAME:

OCN :  
04 ADDRESS :  
CITY : PROV: POSTAL CODE:  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:  
08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :  
CITY : PROV: POSTAL CODE:  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 YEAR MAKE MODEL V.I.N.

11  
12  
GENERAL COLLATERAL DESCRIPTION  
13 NOT LIMITED TO THE ASSETS LOCATED AT 18 ANTARES DRIVE, OTTAWA,  
14 ONTARIO K2E 1A9.

15  
16 AGENT:  
17 ADDRESS :  
CITY : PROV: POSTAL CODE:

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 12/02/2024  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 10:23:33  
ACCOUNT : 009233-0001 FAMILY : 2 OF 2 ENQUIRY PAGE : 3 OF 3  
FILE CURRENCY : 01DEC 2024  
SEARCH : BD : 1019883 ONTARIO INC.

00 FILE NUMBER : 782121555 EXPIRY DATE : 19APR 2027 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20220419 1623 1590 8188 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: 1019883 ONTARIO INC. OCN : 1019883

04 ADDRESS : 18 ANTARES DRIVE, SUITE 102  
CITY : OTTAWA PROV: ON POSTAL CODE: K2E 1A9  
05 IND DOB : IND NAME:  
06 BUS NAME: OCN :

07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
CANADIAN WESTERN BANK

09 ADDRESS : 2000 ARGENTIA ROAD, SUITE 101, PLAZA 1  
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5N 1P7  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.

11  
12  
GENERAL COLLATERAL DESCRIPTION  
13 GENERAL SECURITY AGREEMENT OVER ALL ASSETS, INCLUDING BUT NOT LIMITED  
14 TO THE ASSETS LOCATED AT 18 ANTARES DRIVE, OTTAWA, ONTARIO K2E 1A9.  
15  
16 AGENT: SCHWARZ LAW PARTNERS LLP  
17 ADDRESS : 1984 YONGE STREET  
CITY : TORONTO PROV: ON POSTAL CODE: M4S 1Z7

---

**END OF REPORT**

This is Exhibit "N" referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

---

*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



CLEAR FORM



## ASSIGNMENT AND POSTPONEMENT OF CREDITOR'S CLAIMS

THIS AGREEMENT made this 19<sup>th</sup> day of April, 20 22.

AMONG:           Ashcroft Homes Inc. ("Creditor")  
                      - and -  
                      1019883 Ontario Inc. ("Corporation")  
                      - and -  
                      CANADIAN WESTERN BANK ("Bank")

WHEREAS the Corporation has a banking relationship with the Bank and desires to continue the said relationship and to have such accommodation from time to time as the Bank may furnish it;

AND WHEREAS the Creditor is now and intends to continue to be a supporter of the Corporation in carrying on its business and the Corporation is or may become indebted to the Creditor;

NOW THEREFORE in consideration of the Bank continuing the banking relationship with the Corporation for such time as the Bank sees fit and of such banking accommodation as the Bank may from time to time furnish to the Corporation, the Creditor agrees to postpone and hereby postpones the payment of any and all amounts which the Corporation may owe to the Creditor from time to time and at any time, until the Bank's claim against the Corporation has been paid in full, and in order to give effect to this agreement the Creditor hereby grants a security interest in and assigns and transfers unto the Bank, by way of security for the present and future indebtedness of the Corporation to the Bank, all indebtedness, (including all monies and other proceeds represented thereby or realized therefrom) both present and future, of the Corporation to the Creditor, and the Creditor does hereby agree that the Bank shall be subrogated to all of the Creditor's rights in respect thereto. The Creditor represents and warrants that the existing indebtedness of the Corporation to the Creditor is not subject to any set-off or counterclaim and has not been assigned, pledged, or hypothecated by the Creditor.

The Corporation acknowledges the within assignment and agrees that any present or future indebtedness of any nature or kind of the Corporation to the Creditor will not, without the consent of the Bank, be made the subject of any set-off or counterclaim by the Corporation. The Corporation and the Creditor represent to the Bank that the Creditor holds no security for any present or future indebtedness of any nature or kind of the Corporation to the Creditor, nor does it hold any negotiable paper for or other evidence of any such indebtedness other than that delivered to the Bank herewith. The Corporation and the Creditor hereby agree with the Bank that no satisfaction, consideration or security will be given to or accepted by the Creditor for any debt, liability or obligation, present or future, owing by the Corporation to the Creditor without the prior written consent of the Bank.

The Bank shall not in any event be bound to demand payment of the said claims or any part thereof or take any proceeding to collect any indebtedness of the Corporation to the Creditor or to enforce any security in respect thereof except as the Bank may at its own discretion deem fit.

The Creditor and the Corporation shall each, at any time and from time to time at the request of the Bank, make, execute and deliver all statements of claim, proofs of claim, assignments and other documents and do all matters and things which may be necessary or advisable for the protection of the rights of the Bank under this agreement.

In the event of the bankruptcy or winding up of the Corporation or any distribution of the assets or any of the assets of the Corporation or proceeds thereof among its creditors in any manner whatsoever the Bank may prove in respect of the said sums hereby assigned as a debt owing to it by the Corporation and the Bank shall be entitled to receive the dividends payable in respect thereof, such dividends to be applied on such part or parts of the Corporation's then indebtedness to the Bank as the Bank shall see fit until the whole of such indebtedness has been paid in full and thereafter the Creditor shall be entitled to such dividends.

Upon payment in full of the Corporation's indebtedness to the Bank secured by the assignment herein contained and of all bills, notes and other instruments representing the same, the Bank will release to the Creditor all the Bank's claim under this agreement in respect of the claims hereby assigned to it.

It is declared and agreed that the Bank shall not be bound to continue its banking relationship with the Corporation longer than it thinks proper or to make advances or give accommodation to the Corporation to any greater extent than it shall from time to time think proper.

This agreement is in addition to and without prejudice to any other securities, agreements or documents of any kind now or hereafter held by the Bank.

The Creditor and Corporation waive execution by the Bank of this agreement. The Creditor hereby acknowledges receiving a copy of this agreement and waives all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement filed or issued at any time in respect of this agreement.


This agreement shall be binding upon and shall enure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF the Creditor and Corporation have executed this agreement this 19th day of April, 2022.

CREDITOR: **ASHCROFT HOMES INC.**

CORPORATION: **1019833 ONTARIO INC.**

PER:  (SEAL)  
Name: David Choo  
Title: President and Secretary-Treasurer

PER:  (SEAL)  
Name: David Choo  
Title: President and Secretary-Treasurer

I have authority to bind the Corporation.

I have authority to bind the Corporation.

This is Exhibit “O” referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

---

*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



## ASSIGNMENT AND POSTPONEMENT OF CREDITOR'S CLAIMS

THIS AGREEMENT made this 19<sup>th</sup> day of April, 2022.

AMONG:           David Choo ("Creditor")  
                      - and -  
                      1019883 Ontario Inc. ("Corporation")  
                      - and -  
                      CANADIAN WESTERN BANK ("Bank")

WHEREAS the Corporation has a banking relationship with the Bank and desires to continue the said relationship and to have such accommodation from time to time as the Bank may furnish it;

AND WHEREAS the Creditor is now and intends to continue to be a supporter of the Corporation in carrying on its business and the Corporation is or may become indebted to the Creditor;

NOW THEREFORE in consideration of the Bank continuing the banking relationship with the Corporation for such time as the Bank sees fit and of such banking accommodation as the Bank may from time to time furnish to the Corporation, the Creditor agrees to postpone and hereby postpones the payment of any and all amounts which the Corporation may owe to the Creditor from time to time and at any time, until the Bank's claim against the Corporation has been paid in full, and in order to give effect to this agreement the Creditor hereby grants a security interest in and assigns and transfers unto the Bank, by way of security for the present and future indebtedness of the Corporation to the Bank, all indebtedness, (including all monies and other proceeds represented thereby or realized therefrom) both present and future, of the Corporation to the Creditor, and the Creditor does hereby agree that the Bank shall be subrogated to all of the Creditor's rights in respect thereto. The Creditor represents and warrants that the existing indebtedness of the Corporation to the Creditor is not subject to any set-off or counterclaim and has not been assigned, pledged, or hypothecated by the Creditor.

The Corporation acknowledges the within assignment and agrees that any present or future indebtedness of any nature or kind of the Corporation to the Creditor will not, without the consent of the Bank, be made the subject of any set-off or counterclaim by the Corporation. The Corporation and the Creditor represent to the Bank that the Creditor holds no security for any present or future indebtedness of any nature or kind of the Corporation to the Creditor, nor does it hold any negotiable paper for or other evidence of any such indebtedness other than that delivered to the Bank herewith. The Corporation and the Creditor hereby agree with the Bank that no satisfaction, consideration or security will be given to or accepted by the Creditor for any debt, liability or obligation, present or future, owing by the Corporation to the Creditor without the prior written consent of the Bank.

The Bank shall not in any event be bound to demand payment of the said claims or any part thereof or take any proceeding to collect any indebtedness of the Corporation to the Creditor or to enforce any security in respect thereof except as the Bank may at its own discretion deem fit.

The Creditor and the Corporation shall each, at any time and from time to time at the request of the Bank, make, execute and deliver all statements of claim, proofs of claim, assignments and other documents and do all matters and things which may be necessary or advisable for the protection of the rights of the Bank under this agreement.

In the event of the bankruptcy or winding up of the Corporation or any distribution of the assets or any of the assets of the Corporation or proceeds thereof among its creditors in any manner whatsoever the Bank may prove in respect of the said sums hereby assigned as a debt owing to it by the Corporation and the Bank shall be entitled to receive the dividends payable in respect thereof, such dividends to be applied on such part or parts of the Corporation's then indebtedness to the Bank as the Bank shall see fit until the whole of such indebtedness has been paid in full and thereafter the Creditor shall be entitled to such dividends.

Upon payment in full of the Corporation's indebtedness to the Bank secured by the assignment herein contained and of all bills, notes and other instruments representing the same, the Bank will release to the Creditor all the Bank's claim under this agreement in respect of the claims hereby assigned to it.

It is declared and agreed that the Bank shall not be bound to continue its banking relationship with the Corporation longer than it thinks proper or to make advances or give accommodation to the Corporation to any greater extent than it shall from time to time think proper.

This agreement is in addition to and without prejudice to any other securities, agreements or documents of any kind now or hereafter held by the Bank.

The Creditor and Corporation waive execution by the Bank of this agreement. The Creditor hereby acknowledges receiving a copy of this agreement and waives all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement filed or issued at any time in respect of this agreement.

This agreement shall be binding upon and shall enure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF the Creditor and Corporation have executed this agreement this 19th day of April, 2022.

CREDITOR: **DAVID CHOO**

CORPORATION: **1019833 ONTARIO INC.**

  
\_\_\_\_\_

  
PER: \_\_\_\_\_ (SEAL)

Name: David Choo  
Title: President and Secretary-Treasurer

I have authority to bind the Corporation.

  
\_\_\_\_\_  
Witness (signature)

  
\_\_\_\_\_  
Name (Please Print)

This is Exhibit “P” referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

---

*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



August 16, 2024

1019883 Ontario Inc.  
18 Antares Drive  
Ottawa, ON K2A 1E9

**Attention: Mr David Choo**

**Re:** Commitment letter (the “**Commitment Letter**”) dated March 18, 2022, issued by Canadian Western Bank (“**The Bank**”) to 1019883 Ontario Inc (the “**Borrower**”)

---

Please be advised that the Borrower is in breach of Schedule E section 1.0 of the Commitment Letter as set out herein (the “**Breach**”). Current breaches are not limited to the list below if others are noted upon further investigation.

**Reporting Requirements:**

- Notice to Reader, annual financial statements of the Borrower and Guarantor prepared by a firm of qualified professional accountants within 120 days of the borrower’s fiscal year-end, remain outstanding.

**Payment Defaults:**

- In addition, as you are aware the amounts due under the Loan Agreement remain outstanding and are immediately due and payable. Defaults have occurred under the Loan Agreement and are continuing as a result of the Borrowers failure to pay the principal plus interest payments in the amount of \$24,108.92 which was due on July 1, 2024 and \$24,108.92 which was due on August 1, 2024.

As at August 16, 2024, the obligations referenced above were not in compliance. The covenants in the Commitment Letter must be complied with at all times.

The Bank expressly reserves all of its existing and future rights and remedies under the Commitment Letter, under any applicable security, and at law.

Thank you for giving this matter your immediate attention. We would be pleased to discuss the aforementioned with you at your convenience. Please direct any queries or comments to the attention of the writer.

Yours truly,  
**CANADIAN WESTERN BANK**

*Aleksandar Nakevski*

**Aleksandar Nakevski,**  
**AVP, Special Asset Management**

*Karen Gordon*

**Karen Gordon**  
**Manager, Special Asset Management**

Suite 3000, 10303 Jasper Avenue, Edmonton, AB T5J 3X6  
t. 780.423.8888 | F. 780.423.8897  
[cwb.com](http://cwb.com)

This is Exhibit “Q” referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**





MILLER THOMSON LLP  
SCOTIA PLAZA  
40 KING STREET WEST, SUITE 5800  
P.O. BOX 1011  
TORONTO, ON M5H 3S1  
CANADA

T 416.595.8500  
F 416.595.8695

MILLERTHOMSON.COM

December 11, 2024

**DELIVERED VIA COURIER**

1019883 Ontario Inc.  
102-18 Antares Dr.  
Ottawa, Ontario K2E 1A9

Attention: Mr. David Choo

**Patrick Corney**  
Direct Line: 416.595.8555  
pcorney@millerthomson.com

**Re: Demand for Payment**

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We are the solicitors for Canadian Western Bank (the "**Lender**").

We write to you in connection with the commitment letter dated March 18, 2022, as amended November 19, 2024, between 1019983 Ontario Inc. (the "**Borrower**"), Ashcroft Homes Inc., David Choo (Ashcroft Homes Inc. and David Choo together being the "**Guarantors**"), and the Lender (the "**Commitment Letter**"), under which the Lender extended a demand loan in the amount of \$4,400,000 to the Borrower (the "**Demand Loan**") to provide equity take out financing over the real property known municipally as 18 Antares Drive, Ottawa, Ontario (the "**Lands**").

As security for the Borrower's obligations under the Demand Loan, the Borrower granted a mortgage over the Lands in favour of the Lender registered at the Ontario Land Registry Office as registration number OC2481152 (the "**Mortgage**"). The Borrower further executed a general security agreement (the "**GSA**") in favour of the Lender on or about April 19, 2022.

The Borrower is in default under the Commitment Letter. The Borrower has failed to adhere to certain reporting requirements, has failed to make payments when due, and is currently subject to an initial order under the *Companies' Creditors Arrangement Act* (Canada), in breach of the Commitment Letter. Several of these defaults were previously outlined in the Lender's letter to you of August 16, 2024.

On behalf of the Lender, we hereby demand payment of all amounts owing to the Lender from the Borrower pursuant to the Demand Loan on or before December 23, 2024 (the "**Payment Deadline**"), failing which the Lender will enforce its rights under the Mortgage and GSA, including but not limited to immediately commencing legal proceedings, without further



notice to you. If the Lender is required to take this step, it will also claim all accrued interest, costs, fees and expenses incurred by the Lender.

As at December 11, 2024, **\$4,233,736.45**, exclusive of legal fees, is due and owing under the Demand Loan and Commitment Letter, as follows:

Principal	\$4,117,195.82
Interest to December 11, 2024	\$4,940.63
Amendment Fee	\$100,000.00
Late Reporting Fee	\$600.00
Annual Review Fee	\$1,000.00
Legal Fees	\$10,000.00
<b>TOTAL AMOUNT DUE</b>	<b>\$4,233,736.45</b>

As at December 11, 2024, per diem interest is \$494.06.

The Borrower and the Guarantors are jointly and severally liable for payment of all amounts owing pursuant to the Commitment Letter and Demand Loan.

Payment in full of **\$4,233,736.45**, plus applicable per diem interest and any additional legal fees incurred to the date of payment, must be made no later than December 21, 2024. Failure to do so will result in the Lender enforcing its rights under the Commitment Letter, including but not limited to power of sale proceedings. Kindly contact our office prior to making payment to confirm the quantum of legal fees owing.

Payment must be made by certified cheque or bank wire transfer payable to Miller Thomson LLP, in Trust. A copy of Miller Thomson LLP's wire details is enclosed hereto as Schedule "A".

Enclosed as Schedule "B" to this letter is a Notice of Intention to Enforce Security, which is served on you pursuant to s. 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

The Lender continues to reserve all rights to exercise all other rights and remedies available under the Mortgage, the GSA, and applicable law.

Yours very truly,

MILLER THOMSON LLP

Per:

A handwritten signature in blue ink, appearing to be 'Patrick Corney', written on a light blue background.

Patrick Corney  
Partner  
PC/pt

CC: Alexander Bissonnette and David Mann, K.C., counsel for the Borrower via email to [Alexander.bissonnette@mannlawyers.com](mailto:Alexander.bissonnette@mannlawyers.com) and [David.mann@bluerocklaw.com](mailto:David.mann@bluerocklaw.com)

Enclosure

## SCHEDULE "A"

### **Wire Transfer Instructions**

*Miller Thomson LLP in trust banking instructions for payment by wire transfer*

The funds should be paid to:

**Bank of Montreal  
First Canadian Place  
100 King Street West  
Toronto, ON  
Canada M5X 1A3**

<b>Beneficiary:</b>	Miller Thomson LLP in trust
<b>Transit #:</b>	00022
<b>Swift Code:</b>	BOFMCAM2
<b>Bank (Institution):</b>	001
<b>Account #:</b>	1746-629
<b>CC Code:</b>	000100022

#### **Remittance Details**

Please ensure that the wire transfer instructions contain your lawyer's name and/or client/matter number(s). If you are paying accounts, please indicate the invoice number(s) being paid.

Please send an email to [TOR\\_Accounting@millerthomson.com](mailto:TOR_Accounting@millerthomson.com) to advise of the forthcoming payment.

#### **PLEASE NOTE:**

**This is a Canadian \$ account, however, sender can issue USD currency. Our bank will convert to CDN currency automatically.**

**SCHEDULE “B”**  
**Notice of Intention to Enforce Security**  
**(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)**

**TO:** 1019883 Ontario Inc. (the “**Borrower**”), an insolvent person

**TAKE NOTICE THAT:**

Canadian Western Bank (the “**Lender**”), a secured creditor, intends to enforce its security on all of the Borrower’s present and after-acquired property and undertakings, and on the property described below:

the real property municipally known as 18 Antares Drive, Ottawa, Ontario, and legally described in Schedule “A” hereto (the “**Lands**”).

The security that is to be enforced is the following:

a General Security Agreement granted by the Borrower in favour of the Lender;

a Mortgage granted by the Borrower dated April 19, 2022 in favour of the Lender against the Lands, registered at the Ontario Land Registry as Registration No. OC2481152;

an Assignment of Rents granted by the Borrower dated April 19, 2022 in favour of the Lender, registered at the Ontario Land Registry as Registration No. OC2481153;

an Assignment of All Risks Insurance & General Liability and Fire Insurance granted by the Borrower dated April 19, 2022 in favour of the Lender;

a Debt Service and Cost Overrun Agreement dated April 19, 2022 granted by the Borrower in favour of the Lender; and

and Environmental Agreement and Indemnity granted by the Borrower, Ashcroft Homes Inc. and David Choo, jointly and severally, in favour of the Lender dated April 21, 2022 in respect of the Lands, among other things.

(collectively the “**Security**”).

– 3 –

The total amount of indebtedness secured by the Security is, as at December 11, 2024, as follows:

Principal	\$4,117,195.82
Interest to December 11, 2024	\$4,940.63
Amendment Fee	\$100,000
Late Reporting Fee	\$600.00
Annual Review Fee	\$1,000.00
Legal Fees	\$10,000
<b>TOTAL AMOUNT DUE</b>	<b>\$4,233,736.45</b>

\$494.06. The Lender, a secured creditor, will not have the right to enforce the Security until after the expiry of the ten-day period following the sending of this Notice, unless the insolvent person consents to an earlier enforcement by executing the waiver at Schedule "B" hereto.

Dated at Toronto, Ontario this 11<sup>th</sup> day of December, 2024.

**CANADIAN WESTERN BANK**, by its  
lawyers **MILLER THOMSON LLP**

Per:



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Patrick Corney  
Phone: 416.595.8555  
Email: pcorney@millerthomson.com

**SCHEDULE "A"**

**LEGAL DESCRIPTION**

PCL27-22, SEC NEPEAN-A RIDEAU FRONT;

PT LT 27, CON A RIDEAU FRONT, PART 1 &2 ,4R7847;

T/W ROW PT 5, 4R7847 AS IN LT757172;

S/T 1T408623, 1T409186, LT424426, LT424520, LT427435, 1T499796 NEPEAN;

CITY OF OTTAWA; THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON.

**SCHEDULE "B"**

**WAIVER**

**1019883 ONTARIO INC.** hereby waives the notice period provided for under Section 244(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and consents to the immediate enforcement by the Lender of the Security described above.

DATED at Toronto, Ontario this \_\_\_\_ day of December, 2024.

**1019883 ONTARIO INC.**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the corporation



This is Exhibit “R” referred to in the Affidavit of Aleksandar Nakevski sworn by Matthew Cressatti of the City of Edmonton, in the Province of Alberta, before me at the City of Toronto on December 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



### Payout Statement

Statement Date: 11 December 2024

CWB Branch Info:

Address: 3000-10303 Jasper Avenue  
Edmonton, Alberta T5J 3X6  
 Phone Number: N/A  
 Fax Number: N/A  
 Contact Name: Aleksandar Nakevski Aleksandar.Nakevski@cwbank.com

Customer Name(s): 1019883 ONTARIO INC.  
 Account #: 101014531891  
 Current Interest Rate: 4.380 %

**ALL BALANCES QUOTED IN THIS STATEMENT ARE EFFECTIVE AS OF 11 December 2024 ("the Payout Date").**

BALANCE OUTSTANDING:

Principal Balance*:	<u>\$4,117,195.82</u>
Accrued Interest:	<u>\$4,940.63</u>
Prepayment Charge:	<u>                    </u>
Discharge/Administration Fee:	<u>                    </u>
Other: <u>Late Reporting Fee</u>	<u>\$600.00</u>
Other: <u>Annual Review Fee</u>	<u>\$1,000.00</u>
Other: <u>Legal Fees</u>	<u>TBD</u>
<b>TOTAL AMOUNT DUE:</b>	<b><u>\$4,123,736.45</u></b>
Per Diem Interest	<u>\$494.06</u>

\* Principal Balance includes arrears (if any) as of the Statement Date.

ERRORS AND OMISSIONS EXCEPTED.

**ADDITIONAL INFORMATION:**

1. This statement is valid until 11 December 2024.
2. Payment in full must be received by certified cheque, bank draft or Lawyer's Trust cheque no later than 2:00 p.m. on the Payout Date. If funds are not received by 2:00 p.m., the per diem amount for each additional day, including the Payout Date, must be added to the Total Amount Due.
3. This statement is based on the interest rate in effect at the time of issue. If the loan/mortgage contains a variable interest rate, the balances shown are subject to change.
4. Balances are estimated on the assumption that all regularly scheduled payments are made up to and including the Payout Date. If a scheduled payment is not made, the Total Amount Due may be subject to change.
5. **Please verify Total Amount Due by calling Canadian Western Bank at the number listed above within 24 hours of the Payout Date to confirm the loan account is current or to request an updated balance.**
6. Note: Collateral security may be used to secure multiple loans. A discharge of security will only be provided when all loans secured by the security are paid in full and closed.

Prepared by: Sandra Albert  
 Signature

Reviewed by: Gyovonne Gong  
 Signature

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED

Court File No. CV-24-00098058-0000

AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC, 2067166  
ONTARIO INC, 2139770 ONTARIO INC, 2265132 ONTARIO INC, ASHCROFT  
HOMES – LA PROMENADE INC, 2195186 ONTARIO INC, ASHCROFT HOMES – CAPITAL  
HALL INC AND 1019883 ONTARIO INC

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at Ottawa

**AFFIDAVIT OF ALEKSANDAR NAKEVSKI**

**MILLER THOMSON LLP**  
Scotia Plaza  
40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto ON M5H 3S1

**Patrick Corney LSO#: 65462N**  
[pcorney@millerthomson.com](mailto:pcorney@millerthomson.com)  
Tel: 416.595.8500

**Pavin Takhar LSA#: 21128**  
[ptakhar@millerthomson.com](mailto:ptakhar@millerthomson.com)  
Tel: 403.298.2432

Lawyers for Canadian Western Bank

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED

Court No. CV-24-00098058-0000

AND IN THE MATTER OF ASHCROFT URBAN DEVELOPMENTS INC, 2067166  
ONTARIO INC, 2139770 ONTARIO INC, 2265132 ONTARIO INC, ASHCROFT  
HOMES – LA PROMENADE INC, 2195186 ONTARIO INC, ASHCROFT HOMES – CAPITAL  
HALL INC AND 1019883 ONTARIO INC

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at Ottawa

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**MOTION RECORD OF CANADIAN WESTERN  
BANK**

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**MILLER THOMSON LLP**

Scotia Plaza  
40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto ON M5H 3S1

**Patrick Corney LSO#: 65462N**

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**Pavin Takhar LSA#: 21128**

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Tel: 403.298.2432

Lawyers for Canadian Western Bank