

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

1112396 ONTARIO LIMITED, BLUEBERRY RECORDS INC., STANART HOLDINGS
INC. and FALVO HOLDINGS LIMITED

Applicants

and

Z. DESJARDINS HOLDINGS INC., and ZACHARY DESJARDINS

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c.C.43, AS AMENDED

APPLICATION RECORD

September 25, 2023

**FRIEDMAN LAW
PROFESSIONAL CORPORATION**
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5

Judy Hamilton
Tel: (416) 649-4462
Email: jh@friedmans.ca

Lawyers for the Applicants, *Blueberry
Records Inc., Stanart Holdings Inc. and
Falvo Holdings Ltd.*

Stephen M. Turk Barrister & Solicitor
200-23 Lesmill Road
Toronto, ON M3B 3P6

Stephen M. Turk
Tel: 416-630-5511
Fax: 647-317-6076
Email: sturk@stephenturklaw.com

Lawyers for the Applicant, *1112396
Ontario Limited*

TO: **Z. Desjardins Holdings Inc.**
71146 Bluewater Highway
Grand Bend, ON
N0M 1T0

Email: Desjardinsholdings@gmail.com

AND TO: **Zachary Desjardins**
396 Albert Street BX 96
Exeter, ON
N0M 1S6

Email: Desjardinsholdings@gmail.com

AND TO: **REFCIO & ASSOCIATES**
380 York Street
London ON N6B 1P9

Rod. R. Refcio (LSO No. 48601G)

Tel: 519-858-1800

Fax: 519-858-1801

Email: RRefcio@rrlaw.ca

*Lawyers for the Respondents,
Z. Desjardins Holdings Inc. and Zachary Desjardins*

AND TO: **1917171 Ontario Inc.**
238 Melissa Lane
Tiny, Ontario
L9M 0T8

AND TO: **G.R. Wilfong & Son Limited**
1265 Doon Village Road,
Kitchener, ON
N2P 1A8

Tel: 519-748-2110

Email: bartwilfong@grwilfong.ca
owenwilfong@grwilfong.ca

AND TO: **Hensall District Co-operative, Incorporated**
1 Davidson Drive, Box 1
Hensall, ON
N0M 1X0

Email: kprice@hdc.on.ca

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SUPERIOR COURT OF JUSTICE**

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TAB 1



Court File No. CV-

ONTARIO
SUPERIOR COURT OF JUSTICE
[Commercial List]

BETWEEN:

1112396 ONTARIO LIMITED, BLUEBERRY RECORDS INC., STANART
HOLDINGS INC. and FALVO HOLDINGS LIMITED

Applicants

and

Z. DESJARDINS HOLDINGS INC., and ZACHARY DESJARDINS

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C.43, AS AMENDED

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicants. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing (*choose one of the following*)

- In writing
- In person
- By telephone conference
- By video conference

at the following location:

330 University Avenue Toronto

(*Courthouse address or telephone conference or video conference details, such as a dial-in number, access code, video link, etc. if applicable*)

on Thursday, September 28, 2023, at 10:00 a.m, or as soon after that time as the application can be heard.

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IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date _____ Issued by _____
Local Registrar

Address of Superior Court of Justice
court office: 330 University Avenue
Toronto, ON
M5G 1R8

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TO: Z. Desjardins Holdings Inc.
71146 Bluewater Highway
Grand Bend, ON
N0M 1T0

AND TO: Zachary Desjardins
396 Albert Street BX 96
Exeter, ON
N0M 1S6

AND TO: 1917171 Ontario Inc.
238 Melissa Lane Tiny, Ontario
L9M 0T8

AND TO G.R. Wilfong & Son Limited
1265 Doon Village Road,
Kitchener, ON
N2P 1A8

AND TO Hensall District Co-operative, Incorporated
1 Davidson Drive, Box 1
Hensall, ON
N0M 1X0

APPLICATION

1. The Applicants makes application for an Order substantially in the form filed herewith, seeking, *inter alia*, an Order:

- (a) if necessary, abridging the time for service and filing of this Notice of Application and Application Record, or in the alternative, dispensing with same;
- (b) an order appointing RSM Canada Limited as receiver ("**Proposed Receiver**"), without security over the following properties, assets and undertakings:
 - (i) the real property known municipally known as 227 Victoria Street, Clinton, Ontario, N0M 1L0 and described legally in PIN 41176-0057 as LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON AS IN R308390; MUNICIPALITY OF CENTRAL HURON (the "**Clinton Property**");
 - (ii) the real property known municipally as 51 Main Street North, Exeter, Ontario, N0M 1S3 and described legally in PIN 41236-0117 as CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376, SAVE AND EXCEPT HWP1875 EXETER; MUNICIPALITY OF SOUTH HURON (the "**Exeter Property**");
 - (iii) the real property known municipally as 71146 Bluewater Highway, Grand Bend, Ontario, N0M 1T0, and described legally in PIN 41249-

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0027 as PT LT 7 CON E OF LAKE RD STEPHEN AS IN R331601;
MUNICIPALITY OF SOUTH HURN (the “**Grand Bend Property**”)
(together the Clinton Property, the Exeter Property and the Grand
Bend Property shall be referred to herein as the “**Real Properties**”);

- (iv) and all the other assets, undertakings and properties of Z. Desjardins Holdings Inc. acquired for, or used in relation to a business or businesses carried on by Z. Desjardins Holdings Inc. (together with the Real Properties, the “**Property**”);

- (c) granting a charge over the Real Properties in favour of the Proposed Receiver and the Proposed Receiver’s counsel to secure their fees and disbursements in respect of this proceeding on the terms as set out in the draft Order filed (the “**Receiver’s Charge**”);

- (d) staying all rights and remedies against the Proposed Receiver or affecting the property;

- (e) costs of this application, plus all applicable taxes, on a substantial indemnity basis in accordance with the terms of the Loans (as further described below);

- (f) such further and other relief as counsel may advise and to this Court may seem just.;

- (g) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;

- (h) post judgment interest in accordance with section 129 of the *Courts of Justice Act*;
- (i) the costs of this proceeding, plus all applicable taxes; and
- (j) such further and other relief as to this Honourable Court may deem just.

2. The grounds for the application are:

- (a) Z. Desjardins Holdings Inc. is incorporated pursuant to the laws of Ontario and operates three (3) gas and convenience store businesses situated on the Real Properties;
- (b) Z. Desjardins Holdings Inc. owns the Real Properties;
- (c) the Real Properties were purchased to run the gas station, convenience, and cannabis businesses and to lease a residential premises;
- (d) 1112396 Ontario Limited as Lender, and Blueberry Records Inc., Stanart Holdings Inc. and Falvo Holdings Limited, as Lender, (collectively the “**Applicants**” or the “**Secured Parties**”) extended loans to Z. Desjardins Holdings Inc. secured by charges, general security agreements, general assignments of rents, and the guarantees and postponements of claim of Zachary Desjardins;
- (e) specifically, on August 9, 2019, 1112396 Ontario Limited lent the principal sum of \$1,700,000 to Z. Desjardins Holdings Inc. (the “**Exeter Loan**”) which

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was secured by a mortgage registered against the Exeter Property as Instrument JC141429 (the “**Exeter First Charge**”);

- (f) on December 11, 2019, 1112396 Ontario Limited lent the principal sum of \$1,175,000 to Z. Desjardins Holdings Inc., (the “**Clinton Loan**”) which was secured by a mortgage registered against the Clinton Property as Instrument HC144417 (the “**Clinton First Charge**”);
- (g) on March 29, 2022, Blueberry Records Inc., Stanart Holdings Inc. and Falvo Holdings Limited lent the principal sum of \$1,350,000 to Z. Desjardins Holdings Inc. (the “**Grand Bend Loan**”) which was secured by a mortgage registered as Instrument # HC165632 against the Grand Bend Property (the “**Grand Bend First Charge**”), the Clinton Property (the “**Clinton Third Charge**”) and the Exeter Property (the “**Exeter Second Charge**”);
- (h) the Exeter First Charge matured and became due and payable on September 1, 2020;
- (i) the Exeter First Charge was extended by agreement and matured on September 1, 2022 and has not been extended further;
- (j) the Clinton First Charge matured and became due and payable on January 1, 2021;
- (k) the Clinton First Charge was extended by agreements and matured on January 1, 2023 and has not been extended further;

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- (l) the Grand Bend First Charge, the Clinton Third Charge and the Exeter Second Charge matured and became due and payable on April 30, 2023 and has not been extended further,
- (m) Z. Desjardins Holdings Inc. is currently indebted to the Secured Parties for the following amounts:
 - (i) Exeter First Charge: \$1,834,246.73 (as of June 20, 2023);
 - (ii) Clinton First Charge: \$1,277,191.47 (as of June 20, 2023); and
 - (iii) Grand Bend First Charge: \$1,403,430.00 (as of April 28, 2023), for a total amount owing of \$4,514,868.20.
- (n) pursuant to the Grand Bend Charge over the Real Properties, Z. Desjardins Holdings Inc. consented to a court order for the appointment of a receiver in case of default;
- (o) pursuant to General Security Agreements, Z. Desjardins Holdings Inc. granted a security interest in all its property and assets to Lender as security for the indebtedness and other obligations, and acknowledged that the Lender may appoint a receiver in the case of default;
- (p) Z. Desjardins Holdings Inc. defaulted on the Clinton Loan, the Exeter Loan and the Grand Bend Loan, by failing to pay the Loans when the Loans became due;

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- (q) Z. Desjardins Holdings Inc. failed to repay the Loans upon the maturity dates as extended;
- (r) on April 28, 2023, Blueberry Records Inc., Stanart Holdings Inc. and Falvo Holdings Limited made written demand for payment on Z. Desjardins Holdings Inc and the personal guarantor Zachary Desjardins and has served its Notice of Intention to Enforce Security;
- (s) on May 10, 2023, 1112396 Ontario Limited issued Notices of Sale under Mortgage and on June 20, 2023 issued Notices pursuant to Section 63(4) of the *Personal Property Security Act*;
- (t) the Respondents have failed to pay the indebtedness;
- (u) the Respondents are unable to fulfill their obligations and the indebtedness remains outstanding;
- (v) the Secured Lenders wish to preserve, protect and realize upon the Real Properties of the Respondents;
- (w) the Secured Lenders seek to appoint a receiver to assume control over the Real Properties and the operating businesses of the Debtor and pursue a sale of the Debtor's property with the view to maximize the value for all creditors;
- (x) the Secured Lenders are entitled to the appointment of a receiver pursuant to the terms of their respective security agreements;

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- (y) it is just and equitable that a receiver be appointed pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, C. C-43, as amended;
 - (z) RSM Canada Limited is a Licensed Insolvency Trustee;
 - (aa) the Secured Lenders propose that RSM Canada Limited be appointed as receiver of the Real Properties. The Proposed Receiver has consented to act as court-appointed receiver with respect to the property of the Debtor if appointed;
 - (bb) Rules 1.04, 2.03, 3.02, 38 and 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and;
 - (cc) such further and other grounds as counsel may advise and this Court deem just.;
3. The following documentary evidence will be used at the hearing of the application:
- (a) The affidavit of Stuart B. Turk, sworn September 22, 2023;
 - (b) The affidavit of Stanley Schwartz, sworn September 22, 2023;
 - (c) The consent of the proposed Receiver, RSM Canada Limited;
 - (d) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

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September 25, 2023

**FRIEDMAN LAW
PROFESSIONAL CORPORATION**

Barristers and Solicitors
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5

Judy Hamilton

Tel: (416) 649-4462
Email: jh@friedmans.ca

Lawyers for the Applicants Blueberry
Records Inc., Stanart Holdings Inc. and
Falvo Holdings Ltd.

Stephen M. Turk Barrister & Solicitor
200-23 Lesmill Road
Toronto, ON
M3B 3P6

Stephen M. Turk

Tel: 416-630-5511
Fax: 647-317-6076
Email; sturk@stephenturklaw.com

Lawyers for the Applicant, 1112396
Ontario Limited

RCP-E 14E (September 1, 2020)

-and-

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF APPLICATION

FRIEDMAN LAW PROFESSIONAL CORPORATION

Barristers and Solicitors

150 Ferrand Drive, Suite 800

Toronto, ON M3C 3E5

Judy Hamilton (LSO No. 39475S)

Tel: (416) 649-4462

Email: jh@friedmans.ca

Lawyers for the Applicants, Blueberry Records
Inc., Stanart Holdings Inc. and Falvo Holdings Ltd

Stephen M. Turk Barrister & Solicitor

200-23 Lesmill Road

Toronto, ON

M3B 3P6

Stephen M. Turk

Tel: 416-630-5511

Fax: 647-317-6076

Email: sturk@stephenturklaw.com

Lawyers for the Applicant, 1112396 Ontario
Limited

TAB 2

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
[Commercial List]**

B E T W E E N:

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AFFIDAVIT OF STANLEY SCHWARTZ

I, Stanley Schwartz, of the City of Toronto, in the Municipality of Toronto, in the Province
of Ontario, make oath and say as follows:

1. I am the President of Stanart Holdings Inc., one of the secured lenders under a mortgage loan to the Respondent Z. Desjardins Holdings Inc. (as further described below), which mortgage was guaranteed by the Respondent, Zachary Desjardins, and as such I have personal knowledge of the matters to which I hereinafter depose.
2. I am swearing this Affidavit in support of an application for the appointment of RSM Canada Ltd as court-appointed Receiver and manager of the assets, undertakings

and properties of the Respondent Z. Desjardins Holdings Inc. (the “**Debtor**”), including the Real Properties described below, pursuant to Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C. 43 as amended and Section 43 (1) of the *Bankruptcy and Insolvency Act*, R.S.O. 1985, c. B- 3, as amended (the “**BIA**”)

The Properties

3. According to the records maintained by the Ministry of Government Services, the Debtor was incorporated on May 8, 2019. Attached as **Exhibit “A”** is a copy of the Corporate Profile Report for the Debtor.
4. The Respondent Zachary Desjardins is the sole officer, director and shareholder of the Debtor. Attached as **Exhibit “B”** is the Officer’s Certificate of Zachary Desjardins dated March 25, 2022.
5. The Debtor is the registered owner of the following properties:
 - a. the real property known municipally as 227 Victoria Street, Clinton, Ontario, N0M 1L0 and described legally in PIN 41176-0057 as LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON AS IN R308390; MUNICIPALITY OF CENTRAL HURON (the “**Clinton Property**”). Attached as **Exhibit “C”** is copy of the Parcel Abstract for the Clinton Property.
 - b. the real property known municipally as 51 Main Street North, Exeter, Ontario, N0M 1S3 and described legally in PIN 41236-0117 as CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376, SAVE AND EXCEPT HWP1875 EXETER; MUNICIPALITY OF

SOUTH HURON (the “**Exeter Property**”). Attached as **Exhibit “D”** is the Parcel Abstract for the Exeter Property.

- c. the real property known municipally as 71146 Bluewater Highway, Grand Bend, Ontario, N0M 1T0, and described legally in PIN 41249-0027 as PT LT 7 CON E OF LAKE RD STEPHEN AS IN R331601; MUNICIPALITY OF SOUTH HURN (the “**Grand Bend Property**”) (together the Clinton Property, the Exeter Property and the Grand Bend Property shall be referred to herein as the “**Real Properties**”). Attached as **Exhibit “E”** is the Parcel Abstract for the Grand Bend Property.

6. The Real Properties are mixed use and commercial properties which the Debtor has been operating as gas stations with convenience stores attached. The Grand Bend Property contains a gas bar, commercial plaza and a residential apartment.

The Grand Bend Loan

7. Blueberry Records Inc., Stanart Holdings Inc. and Falvo Holdings Ltd. (the “**Grand Bend Lenders**”) are the Debtor’s first ranking creditors with respect to the Grand Bend Property in connection with a loan in the principal amount of \$1,350,000 (the “**Grand Bend Loan**”) pursuant to a commitment letter dated March 16, 2022. A copy of the commitment letter is attached as **Exhibit “F”**.
8. The proceeds of the Grand Bend Loan were advanced to enable the Debtor to refinance the existing debt on the Grand Bend Property (specifically to discharge the following two charges from title), to cover closing costs for the proposed mortgage. The funds from the mortgage advance were to be used, *inter alia*, to

pay out the first and second mortgagees and to pay tax arrears. Attached as **Exhibit “G”** is a copy of the Statement of Advance.

9. Under the Grand Bend Loan, interest accrues monthly at a rate of 10% per annum. Further, the Grand Bend Loan provided that upon funding, an amount of \$135,000 will be retained and pledged as security and deposited into an interest reserve account and the monthly interest shall be withdrawn monthly until the funds are depleted. Once depleted, the Debtor was required to make the monthly payments.
10. The Grand Bend Loan was also secured against the Clinton Property as a third-ranking charge and the Exeter Property as a second-ranking-charge.

Security for the Loan

11. As security for the Grand Bend Loan, the Grand Bend Lenders obtained, among other things, a first-ranking charge against the Grand Bend Property, a third-ranking charge against the Clinton Property, and a second-ranking charge against the Exeter Property (the “**Grand Bend Charge**”). Attached as **Exhibit “H”** is a copy of the Grand Bend Charge.
12. Schedule A to the Grand Bend Charge, at section 36 thereof, provides that the Debtor irrevocably agrees and consents to the appointment of a Receiver upon default, including pursuant to a Court Order.
13. The Grand Bend Lenders also obtained a General Security Agreement from the Debtor and the personal guarantee of Zachary Desjardins. The General Security Agreement is attached as **Exhibit “I”** (the “**GSA**”). The Guarantee and Postponement of Claim is attached as **Exhibit “J”**.

14. The GSA was granted in relation to the Grand Bend Loan and was secured against the present and future undertaking, property and assets of the Debtor.

Section 12(1) of the GSA stipulates that, upon default:

...Secured Party may appoint or re-appoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of Secured Party or not, to be a receiver or receivers (hereinafter called a "receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any receiver so appointed and appoint another in his stead...

Priority and Subordinate-Ranking Charges Against the Real Properties

15. The Grand Bend Lenders have a first-ranking charge against the Grand Bend Property. The Applicant, 1112396 Ontario Limited, ("**1112 Ontario**") has the first-ranking charge against the Clinton Property and the Exeter Property.
16. 1917171 Ontario Inc. has a second ranking charge against the Clinton Property registered on July 2, 2021 in the amount of \$750,000. Attached as **Exhibit "K"** is a copy of 1917171 Ontario Inc.'s charge.
17. Hensall District Co-operative, Incorporated has a third ranking charge registered on February 15, 2023 against the Exeter Property in the amount of \$79,990.08. Attached as **Exhibit "L"** is a copy of Hensall District Co-operative, Incorporated's charge.
18. As it appears from a PPSA search report in respect of the Debtor, 1112 Ontario is registered in first priority, with 14 subsequent registrations, which includes the Grand Bend Lenders. A copy of the search report, current as of September 13, 2023, is attached as **Exhibit "M"**.

Pending Litigation

19. The Debtor is a defendant in 3 construction lien actions brought by G.R. Wilfong & Sons Limited claiming breach of contract for unpaid amounts under a contract dated May 4, 2021 to install petroleum upgrades at each of the Real Properties. G.R. Wilfong & Sons registered the following construction liens on November 22, 2022:

- a. By Instrument #HC171619, construction lien against the Clinton Property in the amount of \$322,357. Attached as **Exhibit "N"** is a copy of this registered construction lien.
- b. By Instrument #HC171620, a construction lien against the Exeter Property in the amount of \$416,837. Attached as **Exhibit "O"** is a copy of this registered construction lien.
- c. By Instrument #HC171621, a construction lien against the Grand Bend Property in the amount of \$299,763. Attached as **Exhibit "P"** is a copy of this registered construction lien.

20. The Grand Bend Lenders and 1112396 Ontario Limited are defendants to the construction lien proceedings as mortgagees to the Debtor. Attached as **Exhibit "Q"** are copies of the Statements of Claim with respect to the construction liens registered on the Exeter Property and the Clinton Property.

Demand and Notice of Intention to Enforce Security

21. As indicated, the Grand Bend mortgage matured on April 1, 2023.
22. However, in breach of the Grand Bend Loan and mortgage, the Debtor failed to pay the entire balance for principal and interest owing under the mortgage.

23. On or about April 13, 2023, the Grand Bend Lenders and the Debtor agreed to extend the term of the mortgage to May 1, 2023, on certain conditions, including (in part) the payment of interest in the amount of \$18,000 that was due for the month of April, 2023. Attached as **Exhibit "R"** is a copy of the extension letter agreement in that regard.
24. However, the Debtor failed to comply with the terms and conditions of the said extension, including making the said required interest payment.
25. As a result, on April 28, 2023, the Applicants made a written demand on the Debtor for payment of the sum of \$1,403,430, relating to the outstanding amount due and owing under the Grand Bend Loan, and issued a notice of intention to enforce security pursuant to section 244 of BIA. Attached as **Exhibit "S"** are copies of the written demand and notice under section 244 of the BIA.

Notice of Sale

26. On May 19, 2023, the Grand Bend Lenders issued a Notice of Sale under Mortgage of the Real Properties and a Notice of Intention to Sell pursuant to the PPSA (the "**Notices**"). Attached as **Exhibit "T"** are copies of the Notices.
27. After being served with the demand, notices of intention to enforce security, notice of intention to sell, and the notice of sale under mortgage, the Debtor made a single interim payment of \$35,023.25, which included interest arrears from April 1, 2023 until June 23, 2023.
28. In exchange, the Grand Bend Lenders agreed to take no additional enforcement steps until August 9, 2023. The Debtor indicated that it would payout the full mortgage amount balance owing on or before August 9, 2023. The said

agreement is reflected in emails exchanged between counsel for the Grand Bend Lenders and the Debtor between June 23 and June 26, 2023, a copy of which is attached as **Exhibit “U”**.

29. However the Debtor did not pay the amounts outstanding on or before August 9, 2023, and since that time, despite repeated requests, the Debtor has not made any additional payments towards the principal and interest amounts owing on the Grand Bend Loan. Further, the Debtor has not informed the Applicants that it secured refinancing to payout the full mortgage amount balance owing.
30. As of September 1, 2023, the outstanding balance on the Grand Bend Loan is \$1,439,820.34, plus legal fees for this application in the amount of \$11,594.33.
31. I verily believe the Debtor is insolvent and unable to fulfil its obligations to the Grand Bend Lenders and the other creditors. The Grand Bend Loan has been in default since June 23, 2023 and the Debtor appears to be unable or is refusing to make any payment on account thereunder.

The business operates as a going concern

32. It is my belief that the gas stations operated by the Debtor are still operating and can be sold as a going concern.

The Debtor refuses to provide any financial information

33. Despite our information that the businesses of the Debtor continue to operate, the Debtor has refused to make any further payment towards the outstanding principal and interest due under the Grand Bend Loan, and further refuses to provide any sort of financial reporting and will not account for the daily receipts of the operations of the Debtor’s business. Attached as **Exhibit “V”** is an email from our

counsel, Judy Hamilton to the Debtor's lawyer, Rod Refcio confirming that the Debtor has provided no specifics of their refinancing, no financial information for the business, and no interim payments.

Need for a Court-appointed Receiver

34. The Receiver, once appointed, will be in the best position to market the Real Properties for the benefit of all stakeholders.
35. RSM Canada Limited is a licensed insolvency trustee and has consented to act as Receiver of the property of the Debtor. Attached as **Exhibit "W"** is a copy of the Consent of the Receiver.
36. I believe that the Receiver has the background knowledge and experience that would be required to operate the gas stations as going concerns, and to market and sell the Real Properties in a robust and transparent manner, having regard for the interests of all of the Debtor's stakeholders.
37. I believe that the appointment of a Receiver of the property of the Debtor is necessary and just and convenient in the circumstances as:
 - a. The Grand Bend Loan is in default and has not been repaid;
 - b. Interest and fees continue to accrue on the Grand Bend Loan which will reduce the proceeds available to subsequent mortgagees and other creditors;
 - c. All relevant notice periods have expired;
 - d. The Debtor is insolvent and unable to redeem or refinance the debts registered against the Real Properties;

- e. The GSA provides that a receiver can be appointed in the event of a default of the Grand Bend Loan;
- f. The appointment of a Receiver will bring efficiency to the sale of the Real Properties and will maximize the value for the creditors; and
- g. The Debtor is not reporting the income of the business operating on the Real Properties.

38. The draft proposed Receivership Order is appended hereto as **Exhibit "X"**.

39. I swear this Affidavit in support of an Application by the Grand Bend Lenders and 1112 Ontario for the appointment of the Receiver and for no other or improper purpose.

SWORN BEFORE ME VIA VIDEOCONFERENCE, the affiant being located in the city of Toronto in the Province of Ontario and the Commissioner being located in the City of Toronto in the Province of Ontario on September 22, 2023 in accordance with O. Reg 431/20 Administering Oath or Declaration Remotely.



DocuSigned by:
Judy Hamilton

Commissioner for Taking Affidavits
(or as may be)

Judy Hamilton (LSO 39475S)

DocuSigned by:
Stanley Schwartz
07FC4E2B0993468...

STANLEY SCHWARTZ

This is Exhibit "A" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton



Profile Report

Z. DESJARDINS HOLDINGS INC. as of March 22, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	Z. DESJARDINS HOLDINGS INC.
Ontario Corporation Number (OCN)	2695272
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	May 08, 2019
Registered or Head Office Address	71146 Bluewater Hwy, R R 2, Grand Bend, Ontario, Canada, N0M 1T0

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 5

Name Zachary DESJARDINS
Address for Service 325 Southdale Road West, 812, London, Ontario, Canada,
N6J 4Y8
Resident Canadian Yes
Date Began May 08, 2019

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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

Active Officer(s)

Name Zachary DESJARDINS
Position President
Address for Service 325 Southdale Road West, 812, London, Ontario, Canada,
N6J 4Y8
Date Began May 08, 2019

Name Zachary DESJARDINS
Position Secretary
Address for Service 325 Southdale Road West, 812, London, Ontario, Canada,
N6J 4Y8
Date Began May 08, 2019

Name Zachary DESJARDINS
Position Treasurer
Address for Service 325 Southdale Road West, 812, London, Ontario, Canada,
N6J 4Y8
Date Began May 08, 2019

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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

Corporate Name History

Name

Z. DESJARDINS HOLDINGS INC.

Effective Date

May 08, 2019

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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

Active Business Names

Name	COUNTRY MARKET GAS
Business Identification Number (BIN)	290836246
Registration Date	July 31, 2019
Expiry Date	July 30, 2024

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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

Expired or Cancelled Business Names

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

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: KEITH I. MCLEAN - OTHER	December 31, 2019
CIA - Initial Return PAF: KEITH I. MCLEAN - OTHER	June 13, 2019
BCA - Articles of Incorporation	May 08, 2019

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

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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

This is Exhibit "B" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:

9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

**CERTIFICATE OF AN OFFICER
OF
Z. DESJARDINS HOLDINGS INC.
(the "Company")**

TO: Blueberry Records Inc.

AND TO: Stanart Holdings Inc.

AND TO: Falvo Holdings Limited

AND TO: Friedman Law Professional Corporation, its solicitors herein

RE: Blueberry Records Inc., Stanart Holdings Inc. and Falvo Holdings Limited (collectively, the "**Lender**") loan to Z. Desjardins Holdings Inc. (the "**Borrower**") and guaranteed by Zachary Desjardins (the "**Guarantor**") secured by a blanket charge/mortgage (the "**Charge**") including a first charge/mortgage in favour of the Lender against the property municipally described as 71146 Bluewater Hwy, Grand Bend (the "**Grand Bend Property**"), a second charge/mortgage in favour of the Lender against the property municipally described as 51 Main Street, Exeter (the "**Exeter Property**") and a third charge/mortgage in favour of the Lender against the property municipally described as 227 Victoria Street, Clinton (the "**Clinton Property**") pursuant to a Mortgage Commitment dated March 16, 2022 (the "**Commitment**") as amended from time to time.

The undersigned Zachary Desjardins, as **President** of the Company, in such capacity and not in his personal capacities, certify for and on behalf of the Company, intending that the same may be relied upon by you without further inquiry, as follows.

1. I have made or caused to be made such examinations or investigations as are necessary to make the statements of fact contained in this Certificate and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for the Loan and it may be relied upon by the addressees who are law firms or solicitors in connection with their giving legal opinions to, among others, the Lender.
2. I have knowledge of the matters hereinafter certified.
3. Attached as Schedule "A" are true and complete copies of the constating documents of the Company (the "**Articles**"). The Articles are in full force and effect at this date and have not been amended or waived and neither the directors nor the shareholders of the Company have passed, confirmed or consented to any amendments or variations to the Articles.


DS

4. Attached as Schedule "B" is a true and complete copy of the borrowing by-law (the "By-Law") of the Company. The By-Law is in full force and effect, unamended at this date.
5. Attached as Schedule "C" is a true and complete copy of a resolution of the board of directors of the Company, which has been duly and validly passed in accordance with the Articles, the By-law and applicable law, authorizing the company to enter into the Loan.
6. Each of the following people are signing officers of the Company, holding the position set out opposite his or her name:

<u>Name</u>	<u>Officer</u>
Zachary Desjardins	President

7. The following are all of the directors of the Company:

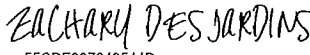
<u>Name</u>	<u>Percentage of Shares Held</u>
Zachary Desjardins	100%

8. The Lender is not an affiliate or associate of the Company and the Company is at arm's length to the Lender.
9. There are no provisions in the Articles or By-laws of the Company or in any shareholders' agreement which restrict or limit the powers of the directors of the Company to borrow money upon the credit of the Company, to issue, reissue, sell or pledge debt obligations of the Company, or to mortgage, charge hypothecate, pledge or otherwise create a security interest in all or any property of the Company, now owned or hereafter acquired, to secure any debt obligation of the Company.
10. The authorization, execution and delivery of the documents executed in connection with the Loan and the performance of the Company's obligations thereunder do not and will not conflict with or constitute an event of default under the Articles or the By-laws or under any other agreement binding on the Company.
11. All filings or remittances that are required under information, taxation or naming legislation which the Company is required to comply with have been made by the Company.
12. No steps or proceedings have been taken or are pending to amend, surrender or cancel the Articles or the By-law or to dissolve or wind-up the Company. The Company is in good standing under the laws of all jurisdiction in which it carries on business or has assets, to the extent that the nature of such business or assets under the laws of such jurisdictions requires registration or qualification.



13. The Company is not a not for profit organization.
14. The address of the Company's head office is 157 Base Line Road West, London, Ontario N6J 1V8
15. The Company will be the registered owner of the the Grand Bend Property, the Exeter Property and the Clinton Property (Collectively, the "**Property**") on closing and the Property will not be used by, or on behalf of or for the benefit of, a third party other than the beneficial owner identified in Paragraph 14 above and/or paying tenants of the Property.

Dated at ^{Toronto} in the Province of Ontario this ²⁵ day of March, 2022

DocuSigned by:

556DF997249544D...
Zachary Desjardins, President

This is Exhibit "C" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

LAND
REGISTRY
OFFICE #22

41176-0057 (LT)

PREPARED FOR xwang001
ON 2023/05/17 AT 14:54:33

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

PROPERTY DESCRIPTION: LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON AS IN R308390; MUNICIPALITY OF CENTRAL HURON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

2000/01/24

OWNERS' NAMES

Z. DESJARDINS HOLDINGS INC.

CAPACITY SHARE

ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 2000/01/24 ON THIS PIN**</p> <p>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 2000/01/24**</p> <p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/01/21 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</p> <p>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</p> <p>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</p> <p>** CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 2000/01/24 **</p>						
R170794Z	1978/11/29	REST COV APL ANNEX		*** COMPLETELY DELETED ***		
R229725	1986/11/03	NOTICE OF LEASE		*** COMPLETELY DELETED ***	SHELL CANADA PRODUCTS LTD.	
R308390	1996/04/12	TRANSFER		*** COMPLETELY DELETED ***	KING, BRADLEY WILLIAM	
R308391	1996/04/12	CHARGE		*** COMPLETELY DELETED ***	KING, JEAN MARIE BERYL	
R321777	1997/10/30	AGREEMENT		*** COMPLETELY DELETED ***		
R321778	1997/10/30	NOTICE				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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD	
HC1299	2003/04/15	NOTICE OF LEASE		*** COMPLETELY DELETED *** KING, BRADLEY WILLIAM	SHELL CANADA PRODUCTS LIMITED		
HC13565	2004/08/30	TRANSFER		*** COMPLETELY DELETED *** KING, BRADLEY WILLIAM	HAROLD'S SHELL SERVICE INC.		
HC53008	2008/10/09	APL CH NAME OWNER		*** COMPLETELY DELETED *** HAROLD'S SHELL SERVICE INC.	HAROLD'S AUTO SERVICE INC.		
HC54302	2008/11/25	NOTICE OF LEASE		*** COMPLETELY DELETED *** HAROLD'S AUTO SERVICE INC.	SHELL CANADA LIMITED		
HC144403	2019/12/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** KING, BRADLEY WILLIAM HARRISON, JOANNE LYNNE			
		REMARKS: R308391.					
HC144404	2019/12/11	APL DELETE REST		*** COMPLETELY DELETED *** HAROLD'S AUTO SERVICE INC.			
		REMARKS: R170794Z.					
HC144405	2019/12/11	APL (GENERAL)		*** COMPLETELY DELETED *** HAROLD'S AUTO SERVICE INC.			
		REMARKS: DELETE R229725, R321778, HC1299 AND HC54302					
HC144416	2019/12/11	TRANSFER	\$1,175,000	HAROLD'S AUTO SERVICE INC.	Z. DESJARDINS HOLDINGS INC.	C	
		REMARKS: PLANNING ACT STATEMENTS.					
HC144417	2019/12/11	CHARGE	\$1,175,000	Z. DESJARDINS HOLDINGS INC.	1112396 ONTARIO LIMITED	C	
HC144418	2019/12/11	NO ASSGN RENT GEN		Z. DESJARDINS HOLDINGS INC.	1112396 ONTARIO LIMITED	C	
		REMARKS: HC144417.					
HC157116	2021/06/01	CHARGE		*** COMPLETELY DELETED *** Z. DESJARDINS HOLDINGS INC.	MURRAY, SCOTT WESLEY		
HC158108	2021/07/02	CHARGE	\$750,000	Z. DESJARDINS HOLDINGS INC.	1917171 ONTARIO INC.	C	
HC159170	2021/08/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** MURRAY, SCOTT WESLEY			
		REMARKS: HC157116.					

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.

* 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
HC165632	2022/03/29	CHARGE	\$1,350,000	Z. DESJARDINS HOLDINGS INC.	BLUEBERRY RECORDS INC. STANART HOLDINGS INC. FALVO HOLDINGS LIMITED	C
HC165633	2022/03/29	NO ASSGN RENT GEN		Z. DESJARDINS HOLDINGS INC.	BLUEBERRY RECORDS INC. STANART HOLDINGS INC. FALVO HOLDINGS LIMITED	C
<i>REMARKS: NOTICE TO BE DELETED UPON DELETION OF HC165632</i>						
HC171619	2022/11/22	CONSTRUCTION LIEN	\$322,357	G.R. WILFONG & SON LIMITED		C
HC174049	2023/04/03	CERTIFICATE		G.R. WILFONG & SON LIMITED	Z. DESJARDINS HOLDINGS INC. BLUEBERRY RECORDS INC. STANART HOLDINGS INC. FALVO HOLDINGS LIMITED 1112396 ONTARIO LIMITED 1917171 ONTARIO INC.	C
<i>REMARKS: HC171619</i>						

This is Exhibit “D” referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

PROPERTY DESCRIPTION: CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376, SAVE AND EXCEPT HWP1875 EXETER; MUNICIPALITY OF SOUTH HURON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

CONSOLIDATION FROM 41236-0066, 41236-0065

PIN CREATION DATE:

2007/03/14

OWNERS' NAMES

Z. DESJARDINS HOLDINGS INC.

CAPACITY SHARE

ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2007/03/14 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2000/03/20 **						
22R1658	1983/10/13	PLAN REFERENCE				C
R207295	1983/10/17	TRANSFER		*** DELETED AGAINST THIS PROPERTY ***	EXETER DISTRICT CO-OPERATIVE	
R270214	1991/06/17	CHARGE		*** DELETED AGAINST THIS PROPERTY ***	BANK OF MONTREAL	
R306502	1995/12/22	CHARGE		*** DELETED AGAINST THIS PROPERTY ***	BANK OF MONTREAL	
R338068	1999/11/15	CHARGE		*** DELETED AGAINST THIS PROPERTY ***	FIRST TREASURY FINANCIAL INC.	
LT15618	2002/04/25	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** GREGUS CONSTRUCTION LIMITED	HENSALL DISTRICT CO-OPERATIVE, INCORPORATED	
HC7097	2003/12/01	APL CH NAME OWNER		*** DELETED AGAINST THIS PROPERTY *** EXETER DISTRICT CO-OPERATIVE	HENSALL DISTRICT CO-OPERATIVE, INCORPORATED	

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HC7331	2003/12/11	CHARGE		*** DELETED AGAINST THIS PROPERTY *** HENSALL DISTRICT CO-OPERATIVE, INCORPORATED	FIRST TREASURY FINANCIAL INC.	
HC19054	2005/04/21	CHARGE		*** DELETED AGAINST THIS PROPERTY *** HENSALL DISTRICT CO-OPERATIVE, INCORPORATED	BANK OF MONTREAL	
HC19057	2005/04/21	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** HENSALL DISTRICT CO-OPERATIVE, INCORPORATED	BANK OF MONTREAL	
		<i>REMARKS: HC19054</i>				
HC19529	2005/05/11	BYLAW DEEM PLNP		THE CORPORATION OF THE MUNICIPALITY OF SOUTH HURON		C
		<i>REMARKS: BEING A BY-LAW TO DEEM REGISTERED PLANS NOT TO BE REGISTERED</i>				
HC23118	2005/09/16	NOTICE	\$2	HENSALL DISTRICT CO-OPERATIVE, INCORPORATED	THE CORPORATION OF THE MUNICIPALITY OF SOUTH HURON	C
		<i>REMARKS: LICENSING AGREEMENT</i>				
HC36767	2007/03/06	APL CONSOLIDATE		HENSALL DISTRICT CO-OPERATIVE, INCORPORATED		C
HC44814	2007/12/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
		<i>REMARKS: RE: R270214</i>				
HC44815	2007/12/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
		<i>REMARKS: RE: R306502</i>				
HC44816	2007/12/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
		<i>REMARKS: RE: HC19054</i>				
HC61959	2009/10/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** FIRST TREASURY FINANCIAL INC.		
		<i>REMARKS: R338068.</i>				
HC141121	2019/07/29	DISCH OF CHARGE		*** COMPLETELY DELETED *** FIRST TREASURY FINANCIAL INC.		
		<i>REMARKS: HC7331.</i>				
HC141428	2019/08/09	TRANSFER	\$1,700,000	HENSALL DISTRICT CO-OPERATIVE, INCORPORATED	Z. DESJARDINS HOLDINGS INC.	C
		<i>REMARKS: PLANNING ACT STATEMENTS.</i>				
HC141429	2019/08/09	CHARGE	\$1,700,000	Z. DESJARDINS HOLDINGS INC.	1112396 ONTARIO LIMITED	C

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HC141430	2019/08/09	NO ASSGN RENT GEN		Z. DESJARDINS HOLDINGS INC.	1112396 ONTARIO LIMITED	C
	<i>REMARKS: HC141429.</i>					
HC165632	2022/03/29	CHARGE	\$1,350,000	Z. DESJARDINS HOLDINGS INC.	BLUEBERRY RECORDS INC. STANART HOLDINGS INC. FALVO HOLDINGS LIMITED	C
HC165633	2022/03/29	NO ASSGN RENT GEN		Z. DESJARDINS HOLDINGS INC.	BLUEBERRY RECORDS INC. STANART HOLDINGS INC. FALVO HOLDINGS LIMITED	C
	<i>REMARKS: NOTICE TO BE DELETED UPON DELETION OF HC165632</i>					
HC171620	2022/11/22	CONSTRUCTION LIEN	\$416,837	G.R. WILFONG & SON LIMITED		C
HC173294	2023/02/15	CHARGE	\$79,990	Z. DESJARDINS HOLDINGS INC.	HENSALL DISTRICT CO-OPERATIVE, INCORPORATED	C
HC174050	2023/04/03	CERTIFICATE		G.R WILFONG & SON LIMITED	Z. DESJARDINS HOLDINGS INC. BLUEBERRY RECORDS INC. STANART HOLDINGS INC. FALVO HOLDINGS INC. 1112396 ONTARIO LIMITED	C

This is Exhibit "E" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

PROPERTY DESCRIPTION: PT LT 7 CON E OF LAKE RD STEPHEN AS IN R331601; MUNICIPALITY OF SOUTH HURON

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2000/04/17

OWNERS' NAMES
Z. DESJARDINS HOLDINGS INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 2000/04/17 ON THIS PIN**</p> <p>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 2000/04/17**</p> <p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/04/14 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</p> <p>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</p> <p>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</p> <p>** CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 2000/04/17 **</p>						
R63179	1964/04/16	NOTICE				C
CORRECTIONS: 'THIS INSTRUMENT' WAS DELETED FROM PROPERTY 41250-0232 IN ERROR AND WAS RE-INSTATED ON 2007/03/30 BY LEIGH SWANSON.						
R331601	1999/01/18	TRANSFER		*** COMPLETELY DELETED ***	1326542 ONTARIO INC.	
R331602	1999/01/18	CHARGE		*** COMPLETELY DELETED ***	WULTERKENS, HERMAN JOHANNES WULTERKENS, PAMELA JANE	
HC88172	2012/10/30	NOTICE		*** COMPLETELY DELETED *** EDWARD FUELS LIMITED		
HC88643	2012/11/16	NOTICE		*** COMPLETELY DELETED *** 2308918 ONTARIO INC.		

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HC110496	2015/09/22	NOTICE		*** COMPLETELY DELETED *** EDWARD FUELS LIMITED		
	<i>REMARKS: HC88172</i>					
HC119768	2016/11/14	DISCH OF CHARGE		*** COMPLETELY DELETED *** WULTERKENS, HERMAN JOHANNES WULTERKENS, PAMELA JANE		
	<i>REMARKS: R331602.</i>					
HC119769	2016/11/14	APL (GENERAL)		*** COMPLETELY DELETED *** 1326542 ONTARIO INC.		
	<i>REMARKS: DELETE HC88643</i>					
HC120049	2016/11/28	TRANSFER		*** COMPLETELY DELETED *** 1326542 ONTARIO INC.	2545341 ONTARIO INC.	
	<i>REMARKS: PLANNING ACT STATEMENTS.</i>					
HC120050	2016/11/28	CHARGE		*** COMPLETELY DELETED *** 2545341 ONTARIO INC.	SCHOONDERWOERD, NEIL SCHOONDERWOERD, JOSEPHINE SCHOONDERWOERD, LUKE	
HC120051	2016/11/28	CHARGE		*** COMPLETELY DELETED *** 2545341 ONTARIO INC.	MINERS, DOUGLAS MINERS, CAROL	
HC138503	2019/04/02	CHARGE		*** COMPLETELY DELETED *** 2545341 ONTARIO INC.	RAVINE SALES INC.	
HC139505	2019/05/21	TRANSFER	\$775,000	2545341 ONTARIO INC.	Z. DESJARDINS HOLDINGS INC.	C
	<i>REMARKS: PLANNING ACT STATEMENTS.</i>					
HC139506	2019/05/21	CHARGE		*** COMPLETELY DELETED *** Z. DESJARDINS HOLDINGS INC.	KAYJAYEN DEVELOPMENTS LIMITED 2007632 ONTARIO LIMITED JAYNET INVESTMENTS LTD. JACKSON, KAREN	
HC139507	2019/05/21	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** Z. DESJARDINS HOLDINGS INC.	KAYJAYEN DEVELOPMENTS LIMITED 2007632 ONTARIO LIMITED JAYNET INVESTMENTS LTD. JACKSON, KAREN	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
		<i>REMARKS: HC139506</i>				
HC139508	2019/05/21	APL OF SURV-CHRG		*** COMPLETELY DELETED *** MINERS, DOUGLAS	MINERS, CAROL	
		<i>REMARKS: HC120051.</i>				
HC139509	2019/05/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** RAVINE SALES INC.		
		<i>REMARKS: HC138503.</i>				
HC139511	2019/05/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** MINERS, CAROL		
		<i>REMARKS: HC120051.</i>				
HC139529	2019/05/21	DISCHARGE INTEREST		*** COMPLETELY DELETED *** EDWARD FUELS LIMITED		
		<i>REMARKS: HC88172.</i>				
HC139553	2019/05/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** SCHOONDERWOERD, NEIL SCHOONDERWOERD, JOSEPHINE SCHOONDERWOERD, LUKE		
		<i>REMARKS: HC120050.</i>				
HC150442	2020/09/24	CHARGE		*** COMPLETELY DELETED *** Z. DESJARDINS HOLDINGS INC.	2007632 ONTARIO LIMITED SUITE INVESTMENTS INC.	
HC150443	2020/09/24	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** Z. DESJARDINS HOLDINGS INC.	2007632 ONTARIO LIMITED SUITE INVESTMENTS INC.	
		<i>REMARKS: HC150442</i>				
HC165632	2022/03/29	CHARGE	\$1,350,000	Z. DESJARDINS HOLDINGS INC.	BLUEBERRY RECORDS INC. STANART HOLDINGS INC. FALVO HOLDINGS LIMITED	C
HC165633	2022/03/29	NO ASSGN RENT GEN		Z. DESJARDINS HOLDINGS INC.	BLUEBERRY RECORDS INC. STANART HOLDINGS INC. FALVO HOLDINGS LIMITED	C
		<i>REMARKS: NOTICE TO BE DELETED UPON DELETION OF HC165632</i>				
HC165634	2022/03/30	DISCH OF CHARGE		*** COMPLETELY DELETED ***		

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* 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
HC165635	2022/03/30	DISCH OF CHARGE		2007632 ONTARIO LIMITED SUITE INVESTMENTS INC. *** COMPLETELY DELETED *** KAYJAYEN DEVELOPMENTS LIMITED 2007632 ONTARIO LIMITED JAYNET INVESTMENTS LTD. JACKSON, KAREN		
HC171621	2022/11/22	CONSTRUCTION LIEN	\$299,763	G.R. WILFONG & SON LIMITED		C
HC174051	2023/04/03	CERTIFICATE		G.R. WILFONG & SON LIMITED	Z. DESJARDINS HOLDINGS INC. BLUEBERRY RECORDS INC. FALVO HOLDINGS LIMITED STANART HOLDINGS INC.	C

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

This is Exhibit "F" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

MORTGAGE COMMITMENT

March 16, 2022 (revised)

Z. Desjardins Holdings Inc.
157 Baseline Road
London ON N6S 1V8

Re: First Mortgage Financing on 71146 Bluewater Highway, Grand Bend ON (the "Property")

Based upon and subject to the accuracy of information furnished to us, we are pleased to provide you, **Z. Desjardins Holdings Inc. or for a company to be incorporated**, (the "Borrower") the following mortgage approval (the "Commitment") for the property described below (the "Subject Property") subject to the terms (the "Terms") set out in this Commitment and subject to you satisfying all the conditions (the "Conditions") described in this Commitment, in a timely manner so that the Lender (as hereinafter defined) can expedite the advance on or before the Funding Date.

In all matters, time shall be of the essence. We require your executed acceptance of this Commitment by the Commitment Acceptance Date set out herein or this Commitment may be cancelled by the Lender. Furthermore, this Commitment, when accepted, will expire on the Funding Date, and may be cancelled, modified, or extended by the Lender at its sole discretion. Your acceptance of this Commitment will be your undertaking to pay all costs listed below together with all legal costs and fees incurred, whether this Charge/Mortgage is advanced. The Non-Refundable Deposit (Retainer) set out herein will be forfeited as liquidated damages and not as a penalty.

Re: First Mortgage for the property located 71146 Bluewater Highway, Grand Bend ON, approximately 0.50 acres of land improved with a Canco Gas Bar and free standing 10,000 Square Foot Commercial Building (see Schedule "A" for Legal Description), (the "Subject Property")

Borrower: Z. Desjardins Holdings Inc. (the "Mortgagors" or collectively referred as the Borrower)

The Borrower agrees to satisfy all terms, conditions and requirements herein contained and acknowledge and agree that their obligation hereunder, including, without limitation, the obligations to repay the Loan, shall constitute primary obligations.

Guarantor: Zachery Desjardins

All beneficial owners of the Borrowing entity shall provide personal guarantee on a joint and several basis.

All land title holders and signing officers. Guarantors' identification and qualifications satisfactory to lenders approval to be provided.

Purpose: Proceeds of the Loan, as herein defined, will be used to assist with the refinance of the existing debt on the Property and cover closing costs for the proposed mortgage.

Amount: The maximum principal amount to be advanced under the loan (the "Loan Amount") will be the lesser of ~~\$1,300,000~~ or 60% of the appraised value as described in this agreement.

1,350,000 ZD

Interest Rate: 10% /annum, calculated and payable interest only monthly.

Interest Reserve: Upon Funding the Loan, an amount of \$130,000 shall be retained and pledged as security and deposited into an interest reserve account and the monthly interest shall be withdrawn monthly starting from month 1 until the funds are depleted. Once depleted, the Borrower shall make the monthly payments out of their own resources. Any unused amounts shall be returned to the Borrower upon discharge.

Term: 12 months, the mortgage is due and payable 12 months from the date of initial advance.

Amortization: Interest Only

Repayment: Commencing on the Date of Advance interest only shall be calculated daily continuing to and including the interest adjustment date, being a date determined by the Lender, (the "Interest Adjustment Date") which amount of interest shall be deducted from the Advance on the Date of Advance. Due Monthly, not in advance, with interest being calculated daily, and compounded monthly on each payment due date on the total of the principal balance plus accrued interest outstanding on the payment date.

Prepayment Privileges: Closed

Security: The following security for the loan shall be granted in favor of the Lender, in form and content satisfactory to the Lender and its legal counsel (hereinafter collectively referred to as the "Security")

1. A First mortgage on the property
2. A Second mortgage on 51 Main Street, Exeter, South Huron ON
3. A Third mortgage on 227 Victoria Street, Clinton, South Huron, ON
4. A direction and beneficial charge agreement granted by the Beneficial Owners.
5. A general security agreement in a form satisfactory to the lender's solicitor.
6. Guarantee of Borrower and personal covenant from all Guarantors
7. An assignment of all contracts related to the property.
8. Assignment and pledge of each of the Beneficial Owners' co-interest in the Property.
9. Such further and other security as legal counsel for the Lender may reasonably require. Documentation, resolutions, legal opinions, and certificates as required by the Lender shall be in a form required by the Lender and its legal counsel, acting reasonably.

Confidentiality: No terms of this letter may be disclosed to any third party without the prior written consent of the lender and the borrower.

Advance Date: The actual date upon which the full advance or initial advance of the loan occurs is herein called the "Initial Advance Date", the "Advance Date", "Closing Date" or similar reference. The anticipated closing shall occur on or about March 22nd, 2022, unless prior thereto, the Lender and the Borrower agree in writing that closing shall occur on some other date. The closing date is subject to completion of the due diligence and security documents.

Fees: A Lender & Brokerage Fee of 4% of the total loan amount, less any deposits paid, shall be paid on the initial advance.

The Borrower shall be responsible for Lender's legal fees, legal deposits, and disbursements. Legal fees shall be on the account of the borrower and shall include HST and all applicable disbursements including searches, registrations, and lender only title insurance policy to be arranged by Lender.

Brokerage GennX Financial Corp FSRA# 13262

Lender: Blueberry Records Inc. and Rydan Financial Inc.

Deductions: The Mortgagor authorizes the payment of the lender & broker fee and the inspection fee of \$1500 to be deducted from the funds when advanced. Borrower shall be responsible for Lender's legal fees and disbursements and all 3rd party costs. Legal fees shall be on the account of the borrower and shall include HST and all applicable disbursements including searches, registrations, and lender only title insurance policy to be arranged by Lender.

Lender's Solicitor:

Barry M. Polisuk
Senior Counsel
Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
Tel: (416) 496-3340 x131
Fax: (416) 497-3809
Email: bp@friedmans.ca

Insurance: Prior to the funding date, the Mortgagee will require confirmation of insurance policies (or certified copies) satisfactory to the lender and its solicitor.

Documentation: All documentation shall be in a form prescribed by the Mortgagee and as approved by its solicitor and include reasonable comments requested by the Borrower and its solicitor, satisfactory to the Lender's solicitor. The security documents are to be prepared by the Mortgagee's solicitors and costs of such to be paid on the borrower's account.

Title: All security documentation and legal work as described herein and required for the transaction has been completed to the satisfaction of the Lender and its solicitor. The Lender and its solicitor being satisfied that the subject property complies with all relevant bylaw and municipal codes.

Subsequent Encumbrances: Borrowers may not place subsequent encumbrances on the subject property without the written consent of the lender.

Payment: Interest only payments to be paid monthly, in arrears, on the first day of each month.

Other Costs: All payments in connection with this mortgage such as but not limited to, legal, appraisals and any other consultant reports, will be made on the account of the borrower.

Mortgage: The Terms and Conditions of the mortgage loan Proposal and proposal shall continue to apply notwithstanding the preparation and execution and registration of the mortgage and other documents.

Realty Taxes: The Mortgagee reserves the option to require that monthly payments be made to the Mortgagee on account of said taxes in addition to the principal and interest payments. Furthermore, the Borrower shall make the Property Tax payments out of their own resources. Taxes to be paid and current prior to closing.

Due on Sale: The Mortgage shall provide that should the Mortgagor directly or indirectly sell, convey, transfer, further encumber or dispose of the real property or the shares or interest in the Borrower described in the Mortgage, or any part thereof, or any interest therein, or agree so to do, without the written consent of the Mortgagee being first obtained, then the Mortgagee shall have the right, at its option, to declare forthwith due and payable the entire balance of the unpaid principal with accrued and unpaid interest due thereon, together with any bonus of interest required and provided herein. The decision to accelerate the loan as stated in the Mortgage shall be at the sole option of the Mortgagee. The consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions.

Conditions

Precedent: Prior to the Date of Advance, the Borrower for the Loan shall comply with and / or satisfy the following conditions precedent and all other conditions precedent set out elsewhere herein, all to the satisfaction of the Lender:

1. All Security to be prepared by a Solicitor selected by the Lender, which will act on behalf of the Lender with all costs for the account of the Borrower.
2. **Appraisal:** Delivery of a current dated appraisal for the property by an AACI qualified appraiser approved by the Lender at the Borrower's expense, addressing the current market value for the property. The appraisal report must be acceptable to the Lender in its sole discretion and addressed to the Lender by a satisfactory reliance letter.
3. **Inspection:** Delivery of an Engineer's Report for the Property, satisfactory to the Lender, at the Borrower's expense, confirming compliance with fire code regulations, building code and zoning compliance.
4. **Environmental Assessment:** Satisfactory Environmental Assessment reports for the Property with quantum of any potential Remediation costs fully disclosed and supported with Reliance Letters addressed to the Lender.
5. **Title Insurance:** The Lender shall have obtained a Policy of Title Insurance for the property that insures the interest of the Lender up to the Loan Amount in the form satisfactory to the Lender. The Title Insurance Premium, (which will not cover the Borrower's ownership interests in the property) is to be paid by the Borrower from the Advance.
6. **Contracts:** Delivery of the existing Fuel Supplier Agreement, satisfactory to the Lender.
7. **Leases:** Delivery of copies of all signed Leases, offers to Lease, licenses, offers to license, and any amendments thereto or renewals thereof in form and content satisfactory to the Lender and its counsel in their sole discretion for the property.
8. **Tenant Acknowledgments:** Tenant Acknowledgement to be provided for each tenant.
9. **Realty Tax Certificate:** Delivery of a current realty tax certificate to verify that all property taxes on the property are paid and current for the Property, satisfactory to the Lender.
10. **Certified Rent Roll:** Delivery of an up to date and current rent roll including a breakdown of recoveries, square footage, maturity date confirming all leases are in full force and effect for the Property.
11. **Insurance:** The Borrower shall maintain full replacement cost "all risk" insurance for the Property that also covers, for boiler and machinery insurance, comprehensive general liability insurance, 12-month rental income and business interruption insurance and any other insurance recommended by the Lender's insurance consultant and risk analyst, satisfactory to the Lender.
12. **Financial Statements:** Delivery of completed and updated Financial Statements, Net Worth Statements and the lenders mortgage forms for the Borrower and the Guarantor.
13. **Operating Income:** Satisfactory review of existing income and expense statements, which is to include fuel sales volume and store sales, to be supported by a printout of the monthly Bullock POS system reports.

14. Confirmation that 1) for 51 Main Street Exeter ON, the current 1st mortgage on is not greater than \$1,700,000 and 2) that for 227 Victoria Street Clinton ON, the current 1st Mortgage is not greater than \$1,175,000 and the current 2nd Mortgage is not greater than \$750,000 3) that all mortgages are in good standing, satisfactory to the lender.
15. Title and all security must be satisfactory to the lender's solicitor.
16. Details of ownership and (corporate) structure including all beneficial owners and shareholders.
17. Satisfactory site inspection by the lender and its nominee.

Representations and Covenants:

- a) The Borrower shall be the legal and beneficial owner of a good and marketable freehold title to the Property and all personal property associated therewith. The Property and the personal property related thereto or used in connection with the operation thereof or which is necessary to the use and operation thereof, shall be free and clear of all security interests, charges, liens, mortgages, claims or other encumbrances and the Security provided for in this offer, to the complete satisfaction of the Lender.
- b) All taxes, assessments, duties and other levies and charges affecting the Property, other than amounts which are not yet due and payable, shall have been paid prior to each advance of the Loan, failing which they shall be paid from the proceeds of any advance.
- c) The Borrower shall provide to the appropriate taxation, municipal and other authorities an authorization by which the Lender or any person authorized by its legal counsel, agent, or manager, shall be able to obtain, in the name of the Borrower, a confirmation from such authorities that all payments, declarations and other filings of the Borrower are up to date, whether authorities concerned have issued any or will issue any such notice concerning arrears. This authorization shall be in effect until the loan has been fully paid.
- d) The Borrower is a validly subsisting corporation in good standing under the laws of Ontario and is duly qualified to carry on business in Ontario.
- e) Each of the Beneficial Owners is a validly subsisting corporation in good standing under the laws of either Canada or Ontario and is duly qualified to carry on business in Ontario.
- f) The Borrower shall deliver the following: all title deeds, copies of all contracts affecting or relating to the property, required insurance policies, evidence of tax accounts and its status, certified copies of the Borrower's borrowing by-laws and resolutions authorizing this transaction, certified copies of Articles of Incorporations, certificate of incorporation, status of compliance of the Borrower, an original up to date survey acceptable to the Lender, and any other documents as may be reasonably required by the Lender's counsel.
- g) All security and documentation related to this Loan as required by the Lender shall have been received and reviewed to the complete satisfaction of the Lender and all other approvals required by the Lender shall have been given and satisfied.
- h) If at any time before or after the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements, or representations therefore made or furnished by or on behalf of the borrower, then the lender shall be entitled forthwith to cancel the lender's obligations hereunder or declare any monies therefore advanced with interest to be forthwith due and payable and retain all fees provided by the borrower.
- i) No Breach or Event of Breach will have occurred and be continuing the initial Funding Date, or would result from making the requested advance
- j) The lender has been satisfied with the feasibility of the Borrower's representations as it relates to the purpose and uses of the loan, projected Gas Bar sale volumes per year and C-Store sales.
- k) The Borrower are not now and will not be at the Date of Advance a non-resident of Canada within the meaning of the Income Tax Act (Canada)

ADVANCE OF FUNDS

The Lender will fund the Loan when each of the following conditions have been satisfied:

- a) All security documentation and legal work as described herein has been completed to the satisfaction of the Mortgagee and its solicitor
- b) The Lender receives confirmation that the subject property complies with all relevant bylaw and municipal codes;
- c) All other applicable terms and conditions of this letter have been met.

We reserve the right to assign interest in this Letter prior to funding. Funding will occur upon the satisfactory completion of the outstanding due diligence deliveries and execution of documentation required by the lender and the lender's lawyers.

Yours very truly,

A handwritten signature in black ink, appearing to be "M. Ryan", written in a cursive style.

Gennx Financial Corp.
c/o Rydan Financial Inc.
Blueberry Records Inc.

ACCEPTANCE

Please signify your acceptance of this Loan Commitment Letter by executing where indicated below, initialing each page, and returning the same by no later than the March 8th, 2022, after which this letter becomes void and may not be accepted without the further written concurrence of the mortgagee.

We acknowledge and accept the above-mentioned terms and conditions on this:

17 day of March, 2022.

BORROWER:



Name: Zachary Desjardins
I have authority to bind the Corporation

Name: Z. Desjardins Holdings inc.

Guarantor: 

Name: Zachary Desjardins

Guarantor:

Schedule A

Property Legal Description

- 1) PT LT 7 CON E of Lake RD Stephen as in R331601; Municipality of South Huron
- 2) Lots 795, 796, 797., 798 PL 376 Exeter South Huron
- 3) Lot 1221 PL 339 Clinton LT 1222 PL 339 Clinton, PT LT 1223 PL 339 Clinton, South Huron

MORTGAGE CHARGE TERMS

Cancellation/Termination of This Mortgage Commitment:

This Commitment shall expire unless funds are advanced by the Advance Date. The Lender, may however, in their sole discretion, extend the Advance Date and, unless otherwise agreed by the Lender, any such extension shall be in writing. In addition to the rights of cancellation/termination provided in other sections of this Mortgage Commitment,

A) this Mortgage Commitment will be automatically cancelled if the Lender determines, acting in their sole discretion, that there has been a deterioration in the Borrower(s) creditworthiness between the date of this Mortgage Commitment and the Advance Date,

B) the lender may also, in their sole discretion, change or cancel this Mortgage Commitment in the following circumstances:

i) if the Lender has not received the Borrower(s) signed acceptance of this Mortgage Commitment by the Sign Back Deadline;

ii) if the Lender determines that there has been a material misrepresentation of fact contained in the Borrower(s) application, this Mortgage Commitment or any other documentation provided by the borrower(s) and their agents.

iii) If the Lender determines that there has been a material change to the Borrower(s) financial status;

iv) If the Borrower(s) are unable to satisfy any of the Commitment Conditions no less than five (5) business days prior to the Advance Date or the Funding Conditions no less than one (1) business day prior to the Advance date, or

v) If the Principal Amount to be advanced is not advanced by the Advance Date.
In the event that the Lender cancels this Mortgage Commitment, the Borrower(s) acknowledge(s) that the Lender shall be entitled to retain any Commitment Fee they have collected that that the Lender will be under no obligation to advance any monies to the Borrower(s). The Borrowers acknowledge they still be responsible for lender's lawyer's legal fee and disbursements.

"SCHEDULE OF FEES"

(This Schedule of Fees is attached to, and forms part of the Mortgage Commitment)

THE AMOUNT LISTED IN THIS SCHEDULE SUPERSEDE ANY AMOUNTS THAT MAY BE CONTAINED IN THE CHARGE OR STANDARD CHARGE TERMS. NOTWITHSTANDING anything to the contrary contained in the Standard Charge Terms (and in the event of any contradiction the following provisions shall prevail), the Borrower(s) covenants and agrees with the Lender as follows:

Mortgage Renewal:

The borrower shall pay the mortgage full amount including all charges and fees by Maturity date, otherwise mortgage will be considered in default. If in any case, the borrower wants to renew the mortgage, its only on lenders discretion and it should be in writing.

Mortgage Statement Fee:

The Borrower(s) shall pay to the Lender's lawyer Mortgage Statement Fee of (\$450.00), for each occurrence, that the Lender is required to prepare a mortgage statement. (This does not include nor form part of any legal fees which are to be charged for the preparation and discharge of the mortgage. Further, the Borrower(s) are responsible for any and all legal fees due and payable to the Lender's solicitor in relation to the mortgage loan).

Mortgage/ Administrative Preparation Fee:

The Borrower(s) shall pay to the Lender Discharge Preparation Fee of (\$450.00), for each Occurrence, for the preparation and review of documentation plus HST. (This does not include or form part of any legal fees which are to be charged for the preparation and discharge of the mortgage. Further, the Borrower(s) are responsible for any and all legal fees due and payable to the Lender's solicitor in relation to the mortgage loan).

Discharge Registration Fee:

The Borrower(s) shall pay any out-of-pocket expenses incurred in relation to the preparation and registration of discharge documentation. (This includes, but is not limited to the Government Registration Charge for the registration of a Discharge of Charge).

N.S.F or Default Payment Fee:

The Borrower(s) shall pay the amount of \$35.00 for each occurrence of NSF or a default Payment, plus \$50.00 / diem added and payable for each occurrence that a payment is not made when due or the outstanding balance is not paid in full on the Maturity Date and the mortgage loan has not been renewed. Such fees will be added to the principal amount outstanding not paid within five days of occurrence.

Missed or Late Payment Fee:

The Borrower(s) shall pay the amount of (\$200.00), for each missed or late installment and for the replacement of each cheque or other instrument not honoured when presented for payment. If any cheque has been provided to the Lender which is either late or returned for any reason, the replacement amount must be paid by way of certified cheque or bank draft. Such fees will be added to the principal amount outstanding not paid within five days of occurrence.

Property Tax Administration Fee:

The Borrower(s) shall pay the amount of Two Hundred and Fifty Dollars, for each occurrence, that the Borrower(s) are unable to provide proof/or evidence that the Property Taxes are paid up to date, at the request of the Lender. Such fees will be added to the principal amount outstanding not paid within five days of occurrence.

Insurance Administration Fee:

The Borrower(s) shall pay the amount of Two Hundred and Fifty Dollars, for each occurrence, that the Borrower(s) are unable to provide proof/or evidence of a current and effective insurance policy noting the Lender as "loss payee" under the said policy, at the request of the Lender. Such fees will be added to the principal amount outstanding not paid within five days of occurrence.

Payment Deferral Fee:

Should the Borrower(s) request a deferral of payment, and same has been approved by the Lender, the Borrower(s) shall pay to the lender a Payment Deferral Fee of (\$250.00), for each such occurrence. Such fees will be added to the principal amount outstanding not paid within five days of occurrence.

Post-Dated Cheques:

The Borrower(s) are to provide the Lender with 6 post-dated cheques prior to the funding of the mortgage loan and upon each half-year anniversary of the mortgage loan. Should the Borrower(s) fail to provide the 12-post-dated cheque payable to the Lender; the Borrower(s) shall pay to the Lender a Post-Dated Cheques Fee of Two Hundred and Fifty Dollars (\$250.00), for each such occurrence. Such fees will be added to the principal amount outstanding not paid within five days of occurrence. Failure to provide such cheques shall constitute a default under the Mortgage at the sole option of the Lender.

Legal / Demand Letters:

Should the Lender or their solicitor be required to send a letter to you in relation to your Mortgage Loan and any default or demand letters thereto, the Borrower(s) shall pay the Lender or lender's lawyer the sum of Five Hundred Dollars (\$500.00) for each such occurrence. Such fees will be added to the principal amount outstanding not paid within five days of occurrence.

3 months interest penalty and Power of Sale Upon default:

3 Months interest penalty due upon default. The lender has the right to initiate power of sale proceedings upon the default of 3 months of payment without further notice to the borrower or his representative. In case of default proceedings, an administration fee of \$ 6,500.00 will be charged for each action or proceeding.

The Mortgagee's additional administration and servicing fees are and shall be as follows:

Default Proceedings:	Payable for each step in any legal action or proceeding instituted	\$6,500.00
Admin Renewal Fee:	Minimum admin fee charged upon each renewal	\$450.00
Mortgage Statements:	Minimum fee for preparation of each statement by the mortgagee or mortgagee lawyer	\$ 450.00
Possession:	For attendance to take possession following default by the lender	\$6,500.00
Administration Fee:	Administration fee upon discharging your mortgage.	\$ 450.00
Maintenance:	For administering maintenance and security of the property in mortgagee's possession per day.	\$ 350.00

This is Exhibit “G” referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

STATEMENT OF ADVANCE

RE: Blueberry Records Inc., Stanart Holdings Inc. and Falvo Holdings Limited (collectively, the “**Lender**”) loan to Z. Desjardins Holdings Inc. (the “**Borrower**”) and guaranteed by Zachary Desjardins (the “**Guarantor**”) secured by a blanket charge/mortgage (the “**Charge**”) including a first charge/mortgage in favour of the Lender against the property municipally described as 71146 Bluewater Hwy, Grand Bend, a second charge/mortgage in favour of the Lender against the property municipally described as 51 Main Street, Exeter and a third charge/mortgage in favour of the Lender against the property municipally described as 227 Victoria Street, Clinton pursuant to a Mortgage Commitment dated March 16, 2022 (the “**Commitment**”) as amended from time to time.

Advance Date: March 29, 2022

	<u>DEBITS</u>	<u>CREDITS</u>
Advance from Lender		\$1,172,500.00
(\$1,172,500.00) calculated as follows:		
• Gross Advance:	\$1,350,000.00	
• Less: Interest Reserve	(\$135,000.00)	
• Less: Lender’s fee	(\$27,000.00)	
• Less: Broker’s fee	(\$12,000.00)	
• Less: Inspection fee	(\$1,500.00)	
• Less: Due Diligence Admin and Review	(\$1,500.00)	
• Less: Misc Adjustments	(\$500.00)	
Net Advance	<u>\$ 1,172,500.00</u>	
Estimated to be paid to First and Second Mortgagee Per diem calculated to March 30, 2022	\$1,073,460.00	
Hold back for tax arrears	\$11,788.37	
Hold back for Title Insurance Premium	\$1,239.30	
Holdback for Friedman Law Professional Corporation fee of \$17,500.00 plus HST of \$2,275.00 plus estimated disbursements of \$1,300.00 (inclusive of HST) less \$5,000.00 retainer	\$16,075.00	
Net Advance to Jaramillo Law Professional Corporation, In Trust, or as further directed	\$69,937.33	
TOTALS	<u>\$1,172,500.00</u>	<u>\$1,172,500.00</u>
E. & O. E.		

This is Exhibit “H” referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

Properties

PIN 41249 - 0027 LT *Interest/Estate* Fee Simple
Description PT LT 7 CON E OF LAKE RD STEPHEN AS IN R331601; MUNICIPALITY OF SOUTH HURON
Address 71146 BLUEWATER HIGHWAY
 GRAND BEND

PIN 41176 - 0057 LT *Interest/Estate* Fee Simple
Description LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON AS IN R308390; MUNICIPALITY OF CENTRAL HURON
Address 227 VICTORIA ST
 CLINTON

PIN 41236 - 0117 LT *Interest/Estate* Fee Simple
Description CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376, SAVE AND EXCEPT HWP1875 EXETER; MUNICIPALITY OF SOUTH HURON
Address 51 MAIN STREET NORTH
 EXETER

Chargor(s)

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

Name Z. DESJARDINS HOLDINGS INC.
Address for Service 157 Base Line Road West
 London, Ontario N6J 1V8

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

Chargee(s)

<i>Name</i>	<i>Capacity</i>	<i>Share</i>
BLUEBERRY RECORDS INC.	Tenants In Common	as to a 27.78% interest
<i>Address for Service</i> 7601 Jane Street Concord, Ontario L4K 1X2		
STANART HOLDINGS INC.	Tenants In Common	as to a 44.44% interest
<i>Address for Service</i> 26 Imperial Street Toronto, Ontario M5P 1C2		
FALVO HOLDINGS LIMITED	Tenants In Common	as to a 27.78% interest
<i>Address for Service</i> 323 Deerhurst Drive Brampton, Ontario L6T 5K3		

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$1,350,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance, interest only		
<i>Balance Due Date</i>	2023/04/01		
<i>Interest Rate</i>	10%		
<i>Payments</i>	\$11,250.00		
<i>Interest Adjustment Date</i>	2022 04 01		
<i>Payment Date</i>	first day of each month		
<i>First Payment Date</i>	2022 05 01		
<i>Last Payment Date</i>	2023 04 01		
<i>Standard Charge Terms</i>	200033		
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>	See Additional Provisions		

Additional Provisions

The Chargor acknowledges and agrees that in the event of a conflict between the Standard Charge Terms No. 200033 and this Charge, the terms of this Charge shall prevail. The Chargor acknowledges that in accordance with the Commitment, interest for the term shall be deducted from the loan advance pursuant to this Charge.

Zachary Desjardins is guaranteeing the obligations of the Chargor under this Charge.

The Charge is being provided by the Chargor to the Chargee as collateral security for the obligations of Chargor (the Borrower) pursuant to a promissory note dated the date hereof in the principal sum of \$1,350,000 issued by the Borrower to the Chargee and a Mortgage Commitment Dated March 16, 2022, as may be amended from time to time (the Commitment), issued by the Chargee to and accepted by the Chargor. See Schedule "A" and Schedule "B" attached hereto and forming an integral part of this charge/mortgage of Land.

Signed By

Xuqin Wang 150 Ferrand Drive #800 acting for Signed 2022 03 29
Toronto Chargor(s)
M3C 3E5

Tel 416-496-3340

Fax 416-497-3809

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

Submitted By

WILLIAM FRIEDMAN BARRISTER & SOLICITOR 150 Ferrand Drive #800 2022 03 29
Toronto
M3C 3E5

Tel 416-496-3340

Fax 416-497-3809

Fees/Taxes/Payment

Statutory Registration Fee \$66.30
Total Paid \$66.30

File Number

Chargee Client File Number : 220219

SCHEDULE "A"

CHARGE TERMS AND CONDITIONS

1. DEFINED TERMS

Unless otherwise expressly defined or otherwise required by the context, the following words and phrases shall have the following meanings when used in the Charge:

- 1.1 "Borrower" means all Persons who have given the Charge and who have executed the same as Borrower;
- 1.2 "Charge" means the Charge/Mortgage of Land and all schedules attached to the Charge and all amendments thereto and replacements thereof from time to time;
- 1.3 "Costs" includes all costs, fees, charges and expenses of every nature and kind whatsoever incurred by the Lender or paid by the Lender to any other party in connection with the protection and preservation of the Property or any other security held by the Lender, or for the purpose of preserving and maintaining the enforceability and priority of the Charge and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by or on behalf of the Lender under or pursuant to the Charge, and includes, without limitation, legal costs incurred by the Lender on a full indemnity basis;
- 1.4 "Commitment" means each and every letter of commitment, loan approval, term sheet or other similar agreement establishing or pertaining to the loan secured by the Charge or pursuant to which the Charge has been given, and all amendments thereto and renewals or replacements thereof from time to time;
- 1.5 "Condominium Corporation" means each corporation created or continued pursuant to the *Condominium Act, 1998* (Ontario) and pertaining to all or any part of the Property which are governed by the said Act;
- 1.6 "Covenantor" means any party to the Charge expressly defined as such and any and all Persons who have directly, indirectly, as principal debtor or as surety covenanted to pay or guaranteed payment of the whole or any part of the amount or amounts secured by the Charge or which are owing under the loan facilities referred to in this Commitment or who have covenanted to perform or guaranteed performance by the Borrower of its obligations under the Charge or under this Commitment or under any security given in connection therewith;
- 1.7 "Environmental Laws" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all applicable directives, orders, codes, judgments and decrees of Governmental Bodies, whether now in existence or hereafter arising, intended to regulate and/or protect the environment and/or any living thing and/or relating to Hazardous Substances;
- 1.8 "Governmental Body" means any government, parliament, legislature, or any regulatory authority, bureau, tribunal, department, instrumentality, agency, commission or board of any government, parliament or legislature, or any court, and without limiting the foregoing, any other law, regulation or rule-making entity having or purporting to act under the authority of any of the foregoing (including, without limitation, any arbitrator) and "Governmental Bodies" means any one or more of the foregoing collectively;
- 1.9 "Hazardous Substance" means any hazardous or dangerous waste or substance, pollutant, contaminant, waste or other substance without limitation, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing,
 - 1.9.1 any such substance as defined or designated under any Environmental Laws;
 - 1.9.2 asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and,
 - 1.9.3 radioactive and toxic substances;and "Hazardous Substances" means any one or more of the foregoing collectively;
- 1.10 "Lender" means all Persons in whose favour the Charge is given and who is or are named in the Charge as Lender;
- 1.11 "Person" means an individual, sole proprietorship, partnership, joint venture, syndicate, association, trust, body corporate, a natural person in its capacity as trustee, personal

representative or other legal representative, the Crown or any agency or instrumentality thereof, and/or any other entity recognized by law;

- 1.12 "Property" means the Property, tenements, hereditaments and appurtenances and any estate or interest therein described in the Charge, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions, improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in law) attached thereto or placed, installed or erected thereon or used in connection therewith;
- 1.13 "Receiver" means any receiver, receiver and manager, receiver-manager or trustee of the Property as may be appointed from time to time by the Lender pursuant to the provisions of the Charge or by any court of competent jurisdiction;
- 1.14 "Taxes" means all taxes, rates, assessments, local improvement charges, levies, penalties and other charges imposed upon or in respect of the Property by any Governmental Body having jurisdiction.

2. STATUTORY REFERENCES

Unless expressly stipulated or otherwise required by the context, all references in the Charge to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment shall be deemed to be and construed as a reference to the same as amended or re-enacted from time to time.

3. EXCLUSION OF STATUTORY COVENANTS

The implied covenants deemed to be included in a charge under sub-section 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded and replaced by the terms hereof which are covenants by the Borrower, for and on behalf of the Borrower, with the Lender.

4. SHORT FORMS OF MORTGAGES ACT

If any of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the *Short Forms of Mortgages Act*, R.S.O. 1980, c. 474, and distinguished by a number therein, the Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act, distinguished by the same number, and the Charge shall be interpreted as if the said Act was still in full force and effect.

5. PROVISO FOR REDEMPTION

Provided the Charge to be void upon payment of the principal sum hereby secured, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants and agreements contained in the Charge.

6. RELEASE

And the Borrower releases to the Lender all its claims upon the Property subject to the proviso for redemption herein.

7. ADVANCE OF FUNDS

The Borrower agrees that neither the preparation, execution nor registration of the Charge shall bind the Lender to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Lender to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of the Charge by the Borrower, and the expenses of the examination of the title and of the Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the Property, and shall be without demand thereof, payable forthwith with interest at the rate provided for in the Charge, and in default the remedies herein shall be exercisable.

8. BORROWER'S COVENANTS

The Borrower covenants with the Lender that the Borrower will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all Taxes and when required by the Lender, shall transmit the receipts therefore to the Lender;

The Borrower further covenants with the Lender that the Borrower will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of the Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the

supply of any fuel or utilities to the Property; all costs, commissions, fees and disbursements incurred by the Lender in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Property; all Costs incurred by the Lender with respect to the Charge or incurred by the Lender arising out of, or in any way related to the Charge; any amounts paid by the Lender on account of any encumbrance, lien or charge against the Property and any and all Costs incurred by the Lender arising out of, or in any way related to, the Lender realizing on its security by sale or lease or otherwise;

And that the Borrower has a good title in fee simple to the Property and has good right, full power and lawful and absolute authority to charge the Property and to give the Charge to the Lender upon the covenants contained in the Charge;

And that the Borrower has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the Property, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose; and free from all encumbrances except as may be permitted by the Lender;

And that the Borrower will execute such further assurances of the Property as may be requisite;

And that the Borrower will produce the title deeds and allow copies to be made at the expense of the Borrower.

9. COMPLIANCE WITH LAWS AND REGULATIONS

The Borrower shall, in its ownership, operation and use of the Property, promptly and at all times observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every Governmental Body having jurisdiction with respect to the same, and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

10. CHANGE OF USE

The Borrower will not change or permit to be changed the existing use or uses of the Property without the prior written consent of the Lender.

11. REPAIR

The Borrower will keep the Property including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Lender may, whenever it deems necessary, enter upon and inspect the Property, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Borrower neglects to keep the Property in good condition and repair, or commits or permits any act of waste on the Property (as to which the Lender shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Lender, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Lender, upon five days notice to the Borrower and in the event that the Borrower does not in such period cause and diligently proceed with such repairs, may make such repairs as it deems necessary, and the cost thereof with interest at the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the Property prior to all claims thereon subsequent to the Charge.

12. ALTERATIONS OR ADDITIONS

The Borrower will not make or permit to be made any alterations or additions to the Property without the prior written consent of the Lender, which consent may be withheld in the Lender's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Borrower as the Lender may impose. Notwithstanding the foregoing, the Borrower shall be permitted to make those alterations and additions to the Property as contemplated by and in accordance with the Commitment and, otherwise, subject to the reasonable approval of the Lender.

13. PROPERTY INCLUDE ALL ADDITIONS

The Property shall include all structures and installations brought or placed on the Property for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the Property including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment,

cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

14. **ENVIRONMENTAL WARRANTY AND INDEMNITY**

The Borrower and each Covenantor jointly and severally represent, warrant, covenant and agree that:

- 14.1. They have not, and to the best of their knowledge, information and belief after making due inquiry, no other Person has caused or permitted any Hazardous Substance to be placed, discharged, stored, located or disposed of, on, under, at or near the Property nor to be released from the Property;
- 14.2. The Property have never been used as a land fill site, waste disposal site or coal gasification site, or to store Hazardous Substances either above or below ground in storage tanks, pipes, conduits or otherwise;
- 14.3. They and, to the best of their knowledge, information and belief after making due inquiry, the tenants, invitees and all other occupiers of the Property have at all times carried out all business and other activities upon the Property in strict compliance with all Environmental Laws;
- 14.4. They will at all times carry out all business and other activities upon the Property in strict compliance with all Environmental Laws, and they will at all times take all necessary measures to ensure that those for whom they are liable in law will also at all times carry out all business and other activities upon the Property in strict compliance with all Environmental Laws.
- 14.5. To the best of their knowledge, information and belief after making due inquiry, the use and occupation of the Property have at all times been in strict compliance with all Environmental Laws;
- 14.6. No notice, order, stop work order, inspection file, investigation, directive, enforcement action, regulatory action, suit, claim, action, proceeding or charge relating to any Hazardous Substance or to a breach or non-compliance with any Environmental Laws has been issued by any Governmental Body with respect to the Borrower or the Property, or is otherwise threatened to be issued;
- 14.7. They will provide the Lender with full and complete copies of all communications received from time to time from all Governmental Bodies with respect to the Property;
- 14.8. They will provide to the Lender on request and from time to time, information with respect to the status of the environmental matters referred to herein and will complete and deliver, on request, the Lender's standard form of report, if any, on environmental matters;
- 14.9. The representations and warranties contained in this Warranty and Indemnity are true and accurate in all respects as of the date of the first advance made pursuant to the Charge, and such representations and warranties shall remain true and accurate in all respects and shall survive the release and discharge of the Charge and the repayment and satisfaction of the indebtedness secured by the Charge; and,
- 14.10. The Lender may delay or refuse to make any advance to the Borrower if the Lender believes that any of the representations and warranties set out in this Warranty and Indemnity are not presently true and accurate or if such representations and warranties have become untrue or inaccurate at any time hereafter.

The Borrower hereby agrees to permit the Lender to conduct, at the Borrower's sole expense, from time to time as required, any and all tests, inspections, appraisals and environmental audits of the Property so as to determine and ensure continuing compliance with the provisions of this Warranty and Indemnity including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Property and/or to the businesses and other activities conducted thereon.

The Borrower and each Covenantor jointly and severally agrees to indemnify and save fully and completely harmless the Lender and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, demands, claims, actions, charges, orders, directives, undertakings, costs, legal fees and expenses, of every nature and kind, whatsoever and howsoever, which at any time or from time to time may be paid by, or incurred by, or suffered by, or asserted against, any of them as a direct or indirect result of:

- a) a breach of any of the representations, warranties or covenants hereinbefore set out;
- b) the presence of any Hazardous Substance in, on, under or about the Property;

- c) the breach of any Environmental Laws; and/or,
- d) the discharge, emission, release, spill or disposal of any Hazardous Substance from the Property into or upon any land, the atmosphere, any watercourse, body of water or wetland or any other property.

The representations, warranties, covenants, acknowledgments and indemnifications set out in this Warranty and Indemnity shall survive the release and discharge of the Charge and of any other security held by the Lender and the repayment and satisfaction of the indebtedness secured by the Charge.

15. INSPECTION

The Lender shall have access to and the right to inspect the Property at all reasonable times.

16. TAXES

WITH respect to Taxes, the Borrower covenants and agrees with the Lender that:

- 16.1. The Lender may deduct from any advance of the monies secured by the Charge an amount sufficient to pay all Taxes which have become due and payable during any calendar year.
- 16.2. The Lender may at its sole option estimate the amount of the Taxes payable in each year and the Borrower shall forthwith upon demand of the Lender pay to the Lender one-twelfth (1/12) of the estimated annual amount of such Taxes on the 1st day of each and every month during the term of the Charge commencing with the 1st day of the first full month of the term of the Charge. The Lender may at its option apply such payments to the Taxes so long as the Borrower is not in default under any covenant or agreement contained in the Charge, but nothing herein contained shall obligate the Lender to apply such payments on account of Taxes more often than yearly. Provided however, that if the Borrower shall pay any sum or sums to the Lender to apply on account of Taxes, and if before such payments have been so applied by the Lender, there shall be default by the Borrower in respect of any payment of principal or interest as herein provided, the Lender may at its option apply such sum or sums in or towards payment of the principal and interest in default. If the Borrower desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Borrower may pay to the Lender such additional amounts as are required for that purpose.
- 16.3. In the event that the Taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Lender as aforesaid, the Borrower shall pay to the Lender, on demand, the amount required to make up the deficiency. The Lender may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefore in excess of the then amount of credit held by the Lender for Taxes. Any excess amount advanced by the Lender shall be secured as an additional principal sum under the Charge and shall bear interest at the rate as provided for in the Charge until repaid by the Borrower.
- 16.4. The Borrower shall transmit to the Lender all assessment notices, tax bills and other notices pertaining to the imposition of Taxes forthwith after receipt thereof.
- 16.5. The Borrower shall pay to the Lender, in addition to any other amounts required to be paid hereunder, the amount required by the Lender in its sole discretion for a reserve on account of future liability for Taxes.
- 16.6. In no event shall the Lender be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Lender does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Lender on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Lender's option the Lender may repay such amount to the Borrower without any interest.
- 16.7. The Borrower shall in all instances be responsible for the payment of any and all penalties resulting from any arrears of Taxes or any late payment of current instalments thereof, and at no time shall such penalties be the responsibility of the Lender.
- 16.8. In the event the Lender does not collect payments on account of Taxes as aforesaid, the Borrower shall deliver to the Lender within thirty (30) days following the due date for each instalment of Taxes written evidence from all taxing authorities having jurisdiction to the effect that the then current instalment of Taxes and all other Taxes due in respect of the then current calendar year and any preceding calendar years have been paid in full, failing which, the Lender shall be entitled to charge a servicing fee for each written inquiry directed to such taxing authorities or the Borrower for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

17. **UTILITIES**

The Borrower covenants that it will pay all utility and fuel charges related to the Property as and when they are due and that the Borrower will not allow or cause the supply of utilities or fuel to the Property to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Borrower will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the Property shall constitute a default by the Borrower within the meaning of the Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Lender forthwith become due and payable.

18. **INSURANCE**

The Borrower will insure and keep insured during the term of the Charge the buildings and other improvements on the Property (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Lender's standard mortgage clause forming part of such insurance policy. The Borrower shall carry such liability, rental, loss of income, business interruption, boiler, plate glass and other insurance coverage as is required by the Lender to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Lender. All such policies shall provide for loss payable to the Lender and contain such additional clauses and provisions as the Lender may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been bound and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Lender prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Lender may provide therefore and charge the premium paid therefore and interest thereon at the aforesaid rate to the Borrower and any amounts so paid by the Lender shall be payable forthwith to the Lender and shall also be a charge upon the Property and secured by the Charge. It is further agreed that the Lender may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Lender therefore shall be forthwith payable to it, together with interest at the rate aforesaid by the Borrower (together with any Costs of the Lender as herein set out), and shall be a charge upon the Property and secured by the Charge.

In the event that the evidence of continuation of such insurance as herein required has not been delivered to the Lender within the required time, the Lender shall be entitled to a servicing fee for each written inquiry which the Lender shall make to the insurer or the Borrower pertaining to such renewal (or resulting from the Borrower's non-performance of the within covenant). In the event that the Lender pursuant to the within provision arranges insurance coverage with respect to the Property, the Lender, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

In the event of any loss or damage, the Borrower shall forthwith notify the Lender in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Lender may, at its option, require the said monies to be applied by the Borrower in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Lender in any event.

The Borrower, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Lender. The Lender shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Lender shall not be bound to accept the said monies in payment of any principal not yet due.

19. **REMITTANCE AND APPLICATION OF PAYMENTS**

All payments of principal, interest and other monies payable hereunder to the Lender shall be payable at par in lawful money of Canada at the Lender's address for service as set out in the Charge or at such other place as the Lender shall designate in writing from time to time. In the event that any of the monies secured by the Charge are forwarded to the Lender by mail, payment will not be deemed to have been made until the Lender has actually received such monies and the Borrower shall assume and be responsible for all risk of loss or delay.

Notwithstanding anything herein to the contrary, in the event of any default under the Charge, the Lender may apply any payments received in whatever order the Lender may elect as between principal, interest, realty taxes, insurance premiums, repairs, Costs and any other advances or payments made by the Lender hereunder.

20. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Lender shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

21. **NO DEEMED RE-INVESTMENT**

Except in the case where the Charge provides for blended payments of principal and interest whether paid monthly or otherwise, the parties hereto agree that the Lender shall not be deemed to reinvest any monthly or other payments received by it hereunder.

22. **PRE-AUTHORIZED CHEQUING PLAN**

If and when required by the Lender, all payments made under the Charge by the Borrower shall be made by a pre-authorized cheque payment plan as approved by the Lender. The Lender shall not be obligated to accept any payment other than payment made by pre-authorized cheque. Failure to make all payments by pre-authorized cheque shall be an act of default within the meaning of the Charge and the Lender shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

23. **POSTDATED CHEQUES**

The Borrower shall, if and when required by the Lender, deliver to the Lender upon the first advance of moneys hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of the Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve month period commencing on each such anniversary date. In the event of default by the Borrower in delivery to the Lender of the postdated cheques as herein provided, the Charge shall be deemed in default and the Lender shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Lender upon the Borrower's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Borrower for the purpose of obtaining such postdated cheques. Any step taken by the Lender hereunder by way of a request for further postdated cheques shall be without prejudice to the Lender's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

24. **DISHONoured CHEQUES**

In the event that any of the Borrower's cheques are not honoured when presented for payment to the drawee, the Borrower shall pay to the Lender for each such returned cheque a servicing fee to cover the Lender's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Borrower, the Lender shall be entitled to a further servicing fee for each written request therefore which may be necessitated by the Borrower not forthwith replacing such dishonoured cheque.

25. **FINANCIAL AND OPERATING STATEMENTS**

The Borrower covenants that, within the periods of time hereinafter specified, or within such other period(s) of time as may be specified by this Commitment, the Borrower shall deliver or cause to be delivered to the Lender the following:

25.1. within one hundred and twenty (120) days after the end of each fiscal year of operation of the Property, an annual operating statement in respect of the Property for the immediately preceding fiscal year setting forth the gross rents and other income derived from the Property, the cost and expenses of operation and maintenance of the Property and such other information and explanations in respect of the same as may be required by the Lender;

25.2. within one hundred and twenty (120) days after the end of each fiscal year of each Borrower and Covenantor which is a corporation or partnership, the annual financial statements of each such corporation or partnership for its immediately preceding fiscal year including, without limitation, the balance sheet of the corporation or partnership as at its fiscal year end with comparative figures for prior years, statements of earnings, retained earnings and changes in financial position as at the fiscal year end with comparative figures for prior fiscal years, any supporting schedules and notes thereto and such other information and explanations as may be required by the Lender; and

25.3. with respect to each Borrower and Covenantor who is an individual and within thirty (30) days after each anniversary of the date of this Commitment, an annual updated net worth statement of each such individual in such form and including such content and other information and explanations as may be required by the Lender.

All such operating and financial statements shall be prepared at the expense of the Borrower and in accordance with generally accepted accounting principles applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Lender, and shall be submitted in audited form if so required by the Lender in the event of a default occurring pursuant to the Charge, and the completeness and correctness of such statements shall be supported by an affidavit of an authorized officer of the Borrower or Covenantor, as the case may be.

The Lender reserves the right to disclose to third parties, any of the foregoing financial information or otherwise acquired in respect to the Loan as may be required in connection with the fulfillment of its rights and/or obligations under this Commitment or the Charge or to carry out its terms of to enforce its security for mortgage securitization purposes.

26. ESTOPPEL ACKNOWLEDGEMENTS

If and whenever the Lender requests an acknowledgement from the Borrower as to the statement of account with respect to the Charge or the status of the terms and conditions of the Charge, the Borrower shall execute such an acknowledgement in such form as may be required by the Lender provided that the contents of such form are correct, and the Borrower shall do so forthwith upon request and without cost to the Lender and shall return such acknowledgement duly executed within two (2) business days of such request.

27. STATEMENTS OF ACCOUNT

The Borrower shall be entitled to receive upon written request, a statement of account with respect to the Charge as of any payment date under the Charge and the Lender shall be entitled to a servicing fee for each such statement.

28. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

No renewal or extension of the term of the Charge given by the Lender to the Borrower, or anyone claiming under it, or any other dealing by the Lender with the owner of the equity of redemption of the Property, shall in any way affect or prejudice the rights of the Lender against the Borrower or any other Person liable for the payment of the monies hereby secured. The Charge may be amended, extended and/or renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount and notwithstanding that there may be subsequent encumbrancers, and it shall not be necessary to register any such agreement in order to retain priority for the Charge so altered over any instrument registered subsequent to the Charge. PROVIDED that nothing contained in this paragraph shall confer any right of amendment, extension or renewal upon the Borrower.

The terms of the Charge may be amended, extended and the Charge may be renewed from time to time by mutual agreement between the then current owner of the Property and the Lender and the Borrower hereby further covenants and agrees that, notwithstanding that the Borrower may have disposed of its interest in the Property, the Borrower will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to the Charge well and truly do, observe, fulfill and keep all of the covenants, provisos, conditions and agreements in the Charge and all amendment(s), extension(s) and renewal(s) thereof, and without limiting the foregoing, notwithstanding the amendment, extension and/or renewal of the Charge, and notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or of the rate of interest thereon, and notwithstanding any other indulgence by the Lender to the Borrower.

The Borrower covenants and agrees with the Lender that no agreement for amendment, extension and/or renewal hereof, or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Borrower to the Lender after the expiration of the original term of the Charge or of any subsequent term agreed to in writing between the Borrower and the Lender, and that no amendment, extension and/or renewal hereof or any extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Borrower and the then current owner of the Property.

29. EXPROPRIATION

If the Property or any part thereof which, in the reasonable opinion of the Lender is material to the viability and operations thereon shall be expropriated by any Governmental Body clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Lender forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, and (b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of the Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of

the Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Lender at its option in priority to the claims of any other party.

30. LETTERS OF CREDIT

The parties to the Charge hereby acknowledge and agree that, in addition to all other amounts advanced and/or secured hereby, the Charge shall stand as good and valid security with respect to any and all letters of credit, letters of guarantee or similar instruments (collectively the "Letters of Credit") issued by or on behalf of the Lender for the benefit of or on account of the Borrower and in favour of any other party as may be requested or directed by the Borrower from time to time, and that the total amount of the financial obligations under each Letter of Credit shall be deemed to have been advanced and fully secured under the Charge as of and from the date of issuance of each such Letter of Credit regardless of when the same may be called upon by the holder thereof. In the event that at any time the Lender is of the opinion, in its sole and unfettered discretion, that the Property or such part(s) thereof as remain undischarged are insufficient to secure the aggregate amount of all of the Lender's outstanding obligations under, pursuant to or in connection with such Letters of Credit from time to time outstanding, the Lender shall be entitled to retain out of any payment received under the Charge or out of the proceeds of any sale or revenue received in respect of the Property or any part(s) thereof or out of the proceeds of any amounts received by the Lender upon the enforcement of the Charge, an amount equal to the aggregate amount of all of the Lender's outstanding obligations under, pursuant to or in connection with Letters of Credit as remain from time to time outstanding without being obliged to apply any portion of such amount on account of any principal, interest or other monies otherwise outstanding and secured by the Charge; and the Lender shall be entitled to retain such amount for such period of time as any of the Letters of Credit remain outstanding and the Lender is hereby irrevocably authorized and directed to utilize the same in order to satisfy payment of any amounts called upon for payment pursuant to the Letters of Credit.

31. SALE OR CHANGE OF CONTROL

In the event of any sale, conveyance or transfer of the Property or any portion thereof, or a change in control or beneficial ownership of the Borrower or a change in the beneficial ownership of the Property or any portion thereof or a lease of the whole of the Property, all sums secured hereunder shall, at the Lender's option, become due and payable forthwith unless the prior written consent of the Lender has been obtained, which consent may be arbitrarily or unreasonably withheld. The rights of the Lender pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under the Charge from the Borrower or any Person claiming through or under it and the rights of the Lender hereunder shall continue without diminution for any reason whatsoever until such time as the Lender has consented in writing as required by this provision.

Provided further that no permitted sale or other dealing by the Borrower with the Property or any part thereof shall in any way change the liability of the Borrower or in any way alter the rights of the Lender as against the Borrower or any other Person liable for payment of the monies hereby secured.

32. NO FURTHER ENCUMBRANCES

In the event of that the Borrower enters into, creates, incurs, assumes, suffers or permits to exist any additional charge, encumbrance, pledge or other financing of the Property, or of the chattels, equipment or personal property related to the Property, all sums secured hereunder shall, at the Lender's option, become due and payable forthwith unless the prior written consent of the Lender has been obtained, which consent may be arbitrarily or unreasonably withheld.

33. EVENTS OF DEFAULT

Without limiting any of the provisions of the Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall immediately become due and payable at the option of the Lender exercised by notice in writing to the Borrower:

- 33.1 Failure by the Borrower to pay any instalment of principal, interest and/or Taxes under the Charge or under any charge or other encumbrance of the Property, on the date upon which any of the payments for same become due;
- 33.2 Failure by the Borrower or any Covenantor to strictly and fully observe or perform any condition, agreement, covenant or term set out in the application or Commitment for the loan secured by the Charge, the provisions of the Charge, or any other document creating a contractual relationship as between them or any of them or if it is found at any time that any representation to the Lender with respect to the loan secured by the Charge or in any way related thereto is incorrect or misleading;
- 33.3 Default by the Borrower in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Property, whether or not it has priority over the Charge;

- 33.4 Upon the registration of any construction lien against the Property which is not discharged or vacated within a period of ten (10) days after the date of registration thereof;
- 33.5 In the event that any Hazardous Substance is discovered in, on or under the Property or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Lender within ten (10) days after demand therefore by the Lender;
- 33.6 In the event that the Property are abandoned or there is any cessation of the business activities or any material part thereof now being conducted upon the Property by the Borrower or the beneficial owner of the Property or any of their respective officers, agents, employees, tenants or invitees;
- 33.7 If the Borrower or any Covenantor commits an act of bankruptcy or becomes insolvent or has a receiver or receiver and manager appointed for it or over any of its assets or if any creditor takes possession of any of its assets or if any execution, distress or other like process is levied or enforced upon the Property or any part thereof or if any compromise or arrangement with creditors is made by any of them; or,
- 33.8 Default by the Borrower, its successors or assigns, or any of the Covenantor(s) in the observance or performance of any representation, warranty, covenant, proviso, agreement or condition contained in any charge or encumbrance or document securing, evidencing or relating to any indebtedness owing by the Borrower, its successors or assigns, to the Lender from time to time whether or not related to or affecting the within Loan and the Property or any other loan and property given as security therefor.

34. DEFAULT

The Lender may, on default of payment or in the performance of any covenant in the Charge contained or implied by law or statute, enter on and lease the Property, or in default of payment or in default in performance of any covenant in the Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days' notice sell the Property. Such notice shall be given to such Persons and in such manner and form and within such time as provided under the *Mortgages Act* (Ontario). In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the Property, if occupied, or by placing it on the Property if unoccupied, or at the option of the Lender, by mailing it in a registered letter addressed to the Borrower at the Borrower's last known address, or by publishing it once in a newspaper published in the city, county or district in which the Property are situate; and such notice shall be sufficient although not addressed to any Person or Persons by name or designation; and notwithstanding that any Person to be affected thereby may be unknown, unascertained, or under disability. If there be legal personal representatives of the Borrower on the death of the Borrower, such notice may, at the option of the Lender, be given in any of the above modes or by personal service upon such representatives.

Without prejudice to the statutory powers of the Lender under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Lender may exercise the powers given under the preceding proviso with or without entry on the Property without any notice, it being understood and agreed, however, that if the giving of notice by the Lender shall be required by law then notice shall be given to such Persons and in such manner and form and within such time as so required by law. The Lender may sell the whole or any part or parts of the Property by public auction or private contract, or partly one or partly the other; and the proceeds of any sale hereunder may be applied in payment of any Costs incurred in taking, recovering or keeping possession of the Property or by reason of non-payment or procuring payments of monies secured hereby or otherwise. The Lender may sell any of the Property on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefore and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Lender shall be bound to pay the Borrower only such monies as have been actually received from purchasers after the satisfaction of the claims of the Lender and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any Person damnified by an unauthorized, improper or irregular exercise of the power shall have its remedy against the Person exercising the power in damages only.

It is hereby agreed that the Lender may pay all premiums of insurance and all Taxes which shall from time to time fall due and be unpaid in respect of the Property, and that such payments together

with all Costs which may be incurred in taking, recovering and keeping possession of the Property, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security, (including legal fees, real estate commissions, appraisal costs and other Costs incurred in leasing or selling the Property or in exercising the power of entering, leasing and selling herein contained) shall be with interest at the rate aforesaid and shall be a charge upon the Property in favour of the Lender and that the Lender may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the Property, and that any amount paid by the Lender shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default the Charge shall immediately become due and payable at the option of the Lender and all powers in the Charge conferred shall become exercisable. In the event of the Lender paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of the Charge or otherwise, the Lender shall be entitled to all the rights, equities and securities of the Person or Persons so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Lender shall deem it proper to do so.

Whenever a power of sale is hereby conferred upon the Lender, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the Persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of the Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of the Charge shall remain unchanged.

The Lender may lease or sell as aforesaid without entering into possession of the Property.

The Lender may distrain for arrears of interest and the Lender may distrain for arrears of principal and arrears of Taxes in the same manner as if the same were arrears of interest.

Upon default of the payment of the interest hereby secured the principal hereby secured shall become payable at the option of the Lender, together with interest thereon.

Upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Lender. Upon default under the Charge, the Lender shall be entitled and shall have full power to assume control of, manage, operate and carry on the business of the Borrower being conducted at or upon the Property on the date of the Charge or at any time thereafter.

Until default hereunder the Borrower shall have quiet possession of the Property.

On default the Lender shall have quiet possession of the Property.

The Lender may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Lender unless made in writing.

It is further agreed that the Lender may at its discretion at any time, release any part or parts of the Property or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefore, without responsibility therefore, and without thereby releasing any other part of the Property or any Person from the Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the Property are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no Person shall have the right to require the principal secured hereunder to be apportioned; further the Lender shall not be accountable to the Borrower for the value thereof, or for any monies except those actually received by the Lender. No sale or other dealing by the Borrower with the equity of redemption in the Property or any part thereof shall in any way change the liability of the Borrower or in any way alter the rights of the Lender as against the Borrower or any other Person liable for payment of the monies hereby secured.

It is further agreed that the Lender may exercise all remedies provided for in the Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in the Charge.

Without limiting any other provision of the Charge, the Borrower acknowledges and agrees that, upon the occurrence of any default under the Charge and whether or not the monies hereby secured have been fully advanced, the Lender may, at any time and from time to time as the Lender shall determine at its sole option and discretion, advance such further sums under the Charge as are necessary to pay any arrears of Taxes, utilities or other charges capable of constituting a lien upon the Property *pari passu* with or in priority to the Charge, to pay all amounts

due under any encumbrance having priority over the Charge, to pay all amounts required to discharge or vacate any construction lien registered against the Property whether or not priority is claimed over the Charge, to maintain in good standing any policies of insurance in respect of the Property, to maintain, repair, operate and/or manage the Property and any or all improvements thereon, to complete construction or renovation of any improvements on the Property, to realize upon any security held by the Lender for the loan secured by the Charge and generally to enforce all of the Lender's rights, title and interest hereunder and to protect the Property and to preserve the enforceability and priority of the Charge, and to pay any and all Costs; and all amounts advanced by the Lender for any of the purposes as aforesaid shall bear interest at the rate applicable under the Charge from the date so advanced until repaid in full and shall be secured by the Charge in the same priority as the principal amount hereof.

35. RIGHT OF LENDER TO REPAIR, ETC.

The Borrower covenants and agrees with the Lender that in the event of default in the payment of any instalment or other monies payable hereunder by the Borrower or on breach of any covenant, proviso or agreement herein contained after all or any of the monies hereby secured have been advanced, the Lender may, at such time or times as the Lender may deem necessary and without the concurrence of any Person, enter upon the Property and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Property or for inspecting, taking care of, leasing, collecting the rents of and generally managing the Property, as the Lender may deem expedient; and all Costs including, but not limited to, allowances for the time and services of any employee of the Lender or other Person appointed for the above purposes and a servicing fee shall be forthwith payable to the Lender by the Borrower and shall be a charge upon the Property and shall bear interest at the rate applicable under the Charge until paid.

36. APPOINTMENT OF A RECEIVER

It is agreed that at any time and from time to time when there shall be default under the provisions of the Charge, the Lender may at such time and from time to time and with or without entering into possession of the Property appoint in writing a Receiver of the Property, or any part thereof and of the rents and profits thereof and with or without security, and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Lender shall be deemed to be acting as the agent or attorney for the Borrower. The Borrower hereby irrevocably agrees and consents to the appointment of such Receiver of the Lender's choice and without limitation whether pursuant to the Charge, the *Mortgages Act* (Ontario), the *Construction Lien Act* (Ontario), or the *Trustee Act* (Ontario), as the Lender may at its sole option require. Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Property or any part thereof and the Borrower hereby consents to a court order for the appointment of such Receiver, if the Lender in its discretion chooses to obtain such order, and on such terms and for such purposes as the Lender at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the Property and/or to complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Borrower, and if required by the Lender, in priority to any existing encumbrances affecting the Property, including without limitation, charges and construction lien claims.

Upon the appointment of any such Receiver from time to time the following provisions shall apply:

- 36.1. A Statutory Declaration made by the Lender or by any authorized representative of the Lender as to default under the provisions of the Charge shall be conclusive evidence thereof;
- 36.2. Every such Receiver shall be the irrevocable agent or attorney of the Borrower for the collection of all rents falling due in respect to the Property, or any part thereof, whether in respect of any tenancies created in priority to the Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- 36.3. The Lender may from time to time fix the remuneration of every such Receiver which shall be a charge on the Property, and may be paid out of the income therefrom or the proceeds of sale thereof;
- 36.4. The appointment of every such Receiver by the Lender shall not incur or create any liability on the part of the Lender to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Lender a mortgagee in possession in respect of the Property or any part thereof;
- 36.5. The Receiver shall have the power to lease any portion of the Property for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the Property or any part thereof in the name and on behalf of the Borrower and the Borrower undertakes to ratify and confirm, and hereby ratifies and confirms, whatever acts such Receiver may do on the Property;

- 36.6. In all instances, the Receiver shall be acting as the attorney or agent of the Borrower;
- 36.7. The Receiver shall have full power to complete any unfinished construction upon the Property;
- 36.8. The Receiver shall have full power to manage, operate, amend, repair, alter or extend the Property or any part thereof in the name of the Borrower for the purposes of securing the payment of rental from the Property or any part thereof;
- 36.9. The Receiver shall have full power to assume control of, manage, operate and carry on the business of the Borrower being conducted at or upon the Property on the date of the Charge or at any time thereafter;
- 36.10. The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Lender's interest in the Property including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all charges, mortgages and other encumbrances which may be registered against the Property from time to time, whether or not any of the same are prior to the interest of the Lender in the Property; selling of the Property; borrowing money on the security of the Property; applying for and executing all documents in any way related to any re-zoning applications, severance of Property pursuant to the provisions of the *Planning Act* (Ontario), as amended, subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the Property, including grants of Property or easements or rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent Governmental Body, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the Property as a condominium; completing any application for first registration pursuant to the provisions of the *Land Titles Act* (Ontario) or pursuant to the *Certification of Titles Act* (Ontario); and for all and every of the purposes aforesaid the Borrower does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the Property, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the Property, as fully and effectually to all intents and purposes as the Borrower itself could do if personally present and acting therein.
- 36.11. The Receiver shall not be liable to the Borrower to account for monies or damages other than cash received by it in respect of the Property or any part thereof and out of such cash so received every such Receiver shall pay in the following order:
- i) its remuneration;
 - ii) all payments made or incurred by it in the exercise of its powers hereunder;
 - iii) any payment of interest, principal and other money which may from time to time be or become charged upon the Property in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect of the Property or any part thereof.

The Borrower hereby irrevocably appoints the Lender as its attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Lender and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Borrower and all parties dealing with the Borrower, the Lender and/or the Receiver and/or with respect to the Property in the same manner as if such documentation was duly executed by the Borrower itself.

37. LENDER NOT TO BE DEEMED LENDER IN POSSESSION

It is agreed that the Lender in exercising any of the rights given to the Lender under the Charge shall be deemed not to be a Lender or mortgagee in possession.

38. ENFORCEMENT OF ADDITIONAL SECURITY

In the event that, in addition to the Property charged hereby, the Lender holds further security on account of the monies secured hereby, it is agreed that no single or partial exercise of any of the Lender's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Lender shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Lender may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Borrower under the remaining security,

provided however, that upon payment of the full indebtedness secured hereunder the rights of the Lender with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGMENT NOT A MERGER**

The taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Lender's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **BANKRUPTCY AND INSOLVENCY ACT**

The Borrower hereby acknowledges and agrees that the security held by the Lender is not all or substantially all of the inventory, accounts receivable or other property of the Borrower acquired for or used in relation to any business carried on by the Borrower. The Borrower hereby further acknowledges and agrees that notwithstanding any act of the Lender by way of appointment of any Person or Persons for the purposes of taking possession of the Property as agent on behalf of the Borrower or otherwise or by taking possession of the Property itself pursuant to any rights that the Lender may have with respect thereto shall not constitute the Lender or any such Person, a receiver within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), and that any and all requirements of Part XI of the BIA as it may pertain to obligations of receivers shall not be applicable to the Lender with respect to the transaction pursuant to which the Charge has been given or with respect to enforcement of the Charge or any other security held by the Lender. The Borrower hereby acknowledges and agrees that no action shall lie against the Lender as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the BIA whether or not the Lender had reasonable grounds to believe that the Borrower was not insolvent.

The Borrower further acknowledges and agrees that any and all Costs as may be incurred from time to time by the Lender in order to effect compliance or avoid any adverse ramifications of the BIA shall be entirely for the account of the Borrower. The Lender shall be entitled to incur any such Costs, including any costs of its personnel in administering any requirements of the BIA and to add the same to the indebtedness owing pursuant hereto and the same shall be secured hereunder and under any and all security held by the Lender for the indebtedness owing to the Lender in the same manner and in the same priority as the principal secured hereunder.

41. **PERMISSIBLE INTEREST RATE**

It is not the intention of the Charge to violate any provisions of the *Interest Act* (Canada), the *Criminal Code* (Canada) (the "Code") or any other statute dealing with permitted rates of interest in the Province of Ontario or in Canada. Notwithstanding any provisions set out herein, in no event shall the "interest" (as that term is defined in the Code) exceed the "criminal rate" (as defined therein) of interest on the "credit advanced" (as defined therein) lawfully permitted under the said legislation. In the event that it is determined at any time that, by virtue of this Commitment, the Charge or any other document given as security for the herein contemplated loan, the payments of interest required to be made by the Borrower exceed the "criminal rate", then the Borrower shall only be required to pay interest at the highest rate permitted by law. Nothing herein shall invalidate any requirements for payment pursuant to this Commitment, the Charge or such other security documents, and any excess interest paid to the Lender shall be refunded to the Borrower and the provisions of the Charge shall in all respects be deemed to be amended accordingly.

42. **INDEMNIFICATION**

The Borrower and Covenantor hereby agree to indemnify and save harmless the Lender, its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature and kind whatsoever and howsoever arising out of the provisions of this Commitment and the Security, any letters of credit or letters of guarantee issued, sale or lease of the Property and/or the use or occupation of the Property including, without limitation, those arising from the right to enter the Property from time to time and to carry out the various tests, inspections, management and other activities permitted by the Commitment and the Security.

In addition to any liability imposed on the Borrower and Covenantor under any instrument evidencing or securing the Loan indebtedness, the Borrower and Covenantor shall be jointly and severally liable for any and all of the Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances. The Borrower and the Covenantor(s) shall be further bound by the representations, warranties and indemnity set out herein.

The representations, warranties, covenants and agreements of the Borrower and Covenantor set forth in this Section:

- 42.1. are separate and distinct obligations from the Borrower's and Covenantor's other obligations;
- 42.2. survive the payment and satisfaction of their other obligations and the discharge of the Security from time to time taken as security therefore;
- 42.3. are not discharged or satisfied by foreclosure of the charges created by any of the Security; and
- 42.4. shall continue in effect after any transfer of the Property including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

43. **NON-MERGER**

The Borrower's obligations as contained in this Commitment shall survive the execution and registration of the mortgage and other security documentation and all advances of funds under the mortgage, and the Borrower agrees that those obligations shall not be deemed to be merged in the execution and registration of the mortgage and other security. All terms and conditions of the mortgage and other security documentation shall be deemed to be incorporated in and form part of the Commitment, except to the extent provided for herein. In the event of conflict, the terms of this Commitment shall prevail.

44. **NOTICES**

All notices or other communications to be given pursuant to or in connection with the Charge shall be in writing, signed by the party giving such notice or by its solicitors, and shall be personally delivered or sent by registered mail or facsimile transmission to the party or parties intended at its or their respective addresses for service as set out in the Charge. The date of receipt of such notice or demand, if served personally or by facsimile, shall be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the date of mailing thereof. For the purposes hereof, personal service on the Borrower or any Covenantor shall be effectively given by delivery to any officer, director or employee of such Borrower or Covenantor. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

45. **PRIORITY OVER VENDOR'S LIEN**

The Borrower hereby acknowledges that the Charge is intended to have priority over any vendor's lien, whether in favour of the Borrower or otherwise, and the Borrower covenants that it has done no act to give priority over the Charge to any vendor's lien, nor is it aware of any circumstances that could create a vendor's lien. Further, the Borrower covenants to do all acts and execute or cause to be executed all documents required to give the Charge priority over any vendor's lien and to give effect to the intent of this clause.

46. **CONSENT OF LENDER**

Whenever the Borrower is required by the Charge to obtain the consent or approval of the Lender, it is agreed that, subject to any other specific provision contained in the Charge to the contrary, the Lender may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Lender shall not be liable to the Borrower in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Borrower.

47. **DISCHARGE**

The Lender shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of the Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Lender; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Lender's fee for providing same, be borne by the Borrower. The discharge shall be prepared and executed by such Persons as are specifically authorized by the Lender and the Lender shall not be obligated to execute any discharge other than a discharge which has been so authorized.

If the Charge, this Commitment or any other document provides for the giving of partial discharges of the Charge, it is agreed that, notwithstanding any other provision to the contrary, the Borrower shall not be entitled to request or receive any such partial discharge if and for so long as the Borrower is in default under the Charge, this Commitment or such other document.

48. **FAMILY LAW ACT**

The Borrower shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Borrower, (b) the qualification of the Property or any part thereof as a matrimonial home within the meaning of Part II of the *Family Act* (Ontario), (c) the ownership of the

equity of redemption in the Property or any part thereof, and (d) a shareholder of the Borrower obtaining rights to occupy the Property or any part thereof by virtue of shareholding within the meaning of Section 18(2) of the *Family Law Act* (Ontario), the Borrower will advise the Lender accordingly and furnish the Lender with full particulars thereof, the intention being that the Lender shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the Property by virtue of Section 19 of the *Family Law Act* (Ontario). In furtherance of such intention, the Borrower covenants and agrees to furnish the Lender with such evidence in connection with any of (a), (b), (c) and (d) above as the Lender may from time to time request.

49. **INDEPENDENT LEGAL ADVICE**

The Borrower and each Covenantor acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Lender a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

50. **SERVICING FEES**

All servicing fees as herein provided are intended to and shall be in an amount sufficient in the sole opinion of the Lender to compensate the Lender for its administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Lender shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **CONSENT TO REGISTRATION OF A PLAN OF CONDOMINIUM**

Provided the Borrower is not in default of the provisions of this Commitment or any loan documents and provided that there are no costs or financial obligations to the Lender, the Lender hereby agrees that it will consent to the Borrower registering a plan of condominium and declaration (the "Condominium") pursuant to the *Condominium Act, 1998* (Ontario), as amended, with respect to the Property or any part thereof provided that the Lender has received and approved the draft plan of condominium and the declaration and provided further that the Borrower, if requested by the Lender, shall deliver to the Lender prior to the registration of the Condominium, a further charge of the Property (the "Replacement Charge") on the same terms and conditions save and except for the new legal description of the Property. It is agreed that the Replacement Charge shall secure the same indebtedness as the original Charge. In connection with the provision of the Replacement Charge, the Borrower shall also provide a replacement general assignment of rents (the "Replacement Assignment of Rents"), and together with and each Covenantor, where applicable, shall provide a re-confirmation of all existing security and such further and other documentation as may then be required by the Lender's solicitors.

Provided further that the original Charge and the original assignment of rents and leases relating thereto shall not be released or discharged from the Property (save and except for any partial discharge provisions provided for therein) until the expiration of ninety (90) days immediately following the later of the registration of the Condominium and the registration of the Replacement Charge and Replacement Assignment of Rents. Provided further that at the time of the request for a discharge of the Charge and the original assignment of rents and leases the Borrower shall not be in default of the provisions of the Charge, the Replacement Charge and/or this Commitment, failing which the Lender shall not be obliged to discharge same.

52. **CONDOMINIUM PROVISIONS**

If all or any part of the Property is or becomes a condominium unit pursuant to the provisions of the *Condominium Act, 1998* (Ontario) (the "Act"), the following covenants and provisions shall apply in addition to all other covenants and provisions set forth in the Charge:

- 52.1. For the purposes of all parts of the Property comprising one or more such condominium units, all references in the Charge to the Property shall include the Borrower's appurtenant undivided interest in the common elements and other assets of the Condominium Corporation;
- 52.2. The Borrower shall at all times comply with the Act and shall forward to the Lender proof of such compliance as the Lender may request from time to time including, without limitation, status certificates issued by the Condominium Corporation; and if the Borrower fails to so comply in any respect, the Lender may do so at its option and all Costs incurred by the Lender in connection therewith shall be secured by the Charge and payable by the Borrower to the Lender forthwith upon demand, together with interest thereon as herein provided;
- 52.3. The Borrower shall pay, when due, all monies payable by the Borrower or with respect to the Property in accordance with the provisions of the Act and the declaration, by-laws and rules

of the Condominium Corporation, including all required contributions to common expenses and any special levies, charges and assessments, and shall provide proof of such payment to the Lender upon request; and if the Borrower fails to make any such payment, the Lender may do so at its option and all amounts so paid by the Lender shall be secured by the Charge and shall be payable by the Borrower to the Lender forthwith upon demand, together with interest thereon as herein provided;

52.4. The Borrower hereby irrevocably appoints, authorizes and empowers the Lender to exercise the rights of the Borrower to vote or to consent as an owner within the meaning of the Act with respect to all matters relating to the affairs of the Condominium Corporation, or to abstain from doing so, provided that:

51.4.1. the Lender may at any time and from time to time give notice in writing to the Borrower and to the Condominium Corporation that the Lender does not intend to exercise such right to vote or to consent, in which case the Borrower may exercise its right to vote or to consent for so long as such notice remains effective or until such notice is revoked by the Lender; and any such notice may be for an indeterminate period of time, a limited period of time or for a specific meeting or matter;

51.4.2. the Lender shall not be under any obligation to vote or to consent or to protect the interests of the Borrower; and,

51.4.3. the exercise by the Lender of its right to vote or to consent or to abstain from doing so shall not constitute the Lender as a mortgagee or Lender in possession and shall not give rise to any liability on the part of the Lender;

52.5. The Borrower shall forward to the Lender by delivery or by prepaid registered mail copies of every notice, assessment, claim, demand, by-law, rule, request for consent and other communication relating to all or any part of the Property or the common elements or affairs of the Condominium Corporation on or before the date which is the earlier of:

51.5.1. fourteen (14) days after receipt of the same by the Borrower;

51.5.2. seven (7) days prior to the date set for any meeting of the Condominium Corporation or any committee thereof;

51.5.3. seven (7) days prior to the due date of any claim or demand for payment; and,

51.5.4. within twenty-four (24) hours after becoming aware of any information concerning termination of any insurance policy, insurance trust agreement or management agreement relating to the Condominium Corporation or any of its assets;

52.6. The Borrower hereby authorizes and directs the Condominium Corporation to permit the Lender to inspect the records of the Condominium Corporation at any reasonable time;

52.7. In addition to and notwithstanding any other provisions of the Charge, the outstanding principal amount and all accrued interest and other charges secured by the Charge shall, at the Lender's option, become immediately due and payable without notice or demand if any of the following events or circumstances shall occur and be continuing:

51.7.1. the government of the Condominium Corporation or the government of the Property by the Condominium Corporation is terminated;

51.7.2. a vote of the Condominium Corporation authorizes the sale of all or substantially all of its property or assets or all or any part of its common elements or all or any part of the Property, or any part of the same is expropriated;

51.7.3. the Condominium Corporation fails to comply with any provision of the Act or its declaration or any of its by-laws and rules;

51.7.4. the Condominium Corporation fails to insure its assets, including the Property, in accordance with the Act and the declaration and by-laws of the Condominium Corporation, or any insurer thereof cancels or threatens cancellation of any existing obligation to insure the same.

53. **ASSIGNMENT OF RENTS**

As additional primary security for the monies secured by the Charge, the Borrower transfers and assigns to the Lender all rents, income, profits, rights and other benefits (collectively the "Rents") now or hereafter due or arising pursuant to all present and future oral or written leases, agreements to lease, tenancies or other agreements for the use or occupancy of the whole or any part of the Property and all extensions and renewals thereof (collectively the "Leases" and individually a "Lease") granted to any and all tenants, licensees and other occupiers thereof (collectively the

"Tenants" and individually a "Tenant"); and in furtherance thereof, the Borrower covenants and agrees as follows:

- 53.1. the Leases and details thereof heretofore provided by the Borrower to the Lender are in full force and effect and have not been assigned or pledged to any other party except as disclosed by registered title to the Property;
- 53.2. except with the prior written consent of the Lender, the Borrower shall not amend, terminate, release or accept a surrender of any Lease or any guarantee thereof or waive, release, reduce, discount, discharge or otherwise compromise any Rents payable thereunder, and any attempt to do any of the foregoing without such prior written consent shall be null and void as against the Lender;
- 53.3. except for the last month's rent and any security deposit, the Borrower has not received and shall not accept payment of any Rents more than thirty (30) days in advance;
- 53.4. except with the prior written consent of the Lender, the Borrower shall not further assign the Rents, the Leases or any interest therein or consent or agree to any postponement or subordination of the same in favour of any mortgage or other encumbrance now or hereafter affecting the Property;
- 53.5. except with the prior written consent of the Lender, the Borrower shall not consent to or permit any assignment or subletting of the interest of any Tenant under any Lease or exercise any right of election thereunder which would in any way lessen the liability of any Tenant or shorten the stated term of any Lease;
- 53.6. the Borrower shall diligently and in good faith observe and perform all of the landlord's covenants contained in the Leases and shall likewise require that the Tenants and other parties to the Leases fully observe and perform the covenants and agreements imposed upon them by the Leases, failing which, the Lender may, at its option, require the same at the expense and in the name of the Borrower, and all such expenses incurred by the Lender shall be a charge upon the Property and be paid by the Borrower to the Lender forthwith upon demand;
- 53.7. the Borrower shall give prompt written notice to the Lender of default by any Tenant and any notice of default received from any Tenant, including a copy of such notice;
- 53.8. all of the Leases are and shall be bona fide and at rental rates and upon terms which are commercially reasonable and consistent with comparable space in the municipality within which the Property are situate;
- 53.9. the Borrower shall, at its own expense, execute and deliver to the Lender all such further assurance and assignments with respect to the Rents and the Leases and enforce and do all other acts with respect to the Leases as may be required from time to time by the Lender.

Upon default hereunder by the Borrower, the Lender shall be entitled, as agent and attorney of the Borrower, to collect, sue for, waive or compromise the Rents and to enforce performance of the Leases or amend, terminate, release or accept a surrender of the same as the Lender may determine in its sole discretion;

The Lender shall not be obligated to perform or discharge any obligation or liability under the Leases, or under or by reason of the assignment herein contained, and the Borrower agrees to save and hold harmless the Lender of and from any and all actions, proceedings, claims, demands, liability, damages, Costs or expenses which the Lender may incur under or by reason of the Leases or the assignment herein contained; and all Costs incurred by the Lender in connection therewith shall be a charge upon the Property and be paid by the Borrower to the Lender forthwith upon demand.

In the event that the Lender collects any Rents by reason of the Borrower's default, the Lender shall be entitled to payment from the same of an administration fee equal to 5.0% of the gross amount of Rents collected, and the Borrower acknowledges and agrees that such administration fee is just and equitable having regard to the circumstances.

54. MATERIAL ADVERSE CHANGES

In the event that at any time while any indebtedness remains outstanding pursuant to the provisions of the Charge, the Lender discovers a discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Lender by or on behalf of the Borrower or any Covenantor concerning the Property or the financial condition and responsibility of the Borrower or any Covenantor in the event of any material adverse change in the value of the Property or the financial status of the Borrower or any Covenantor or any lessee on which the Lender relied upon in making any advances hereunder, which material change, discrepancy or inaccuracy cannot be rectified by the Borrower or such Covenantor (if applicable) within thirty (30) days after written

notification thereof by the Lender to the Borrower or such Covenantor, the Lender shall be entitled to decline to advance any further funds pursuant hereto and/or to declare any and all amounts advanced pursuant hereto together with interest thereon to be forthwith due and payable.

55. PROFESSIONAL MANAGEMENT

The Property must at all times be professionally managed by property managers acceptable to the Lender, failing which the Lender reserves the right, in its sole discretion, to appoint new or other property managers at the sole expense of the Borrower. A change in the property managers for Property shall require the prior written consent of the Lender. No management fee shall be payable to the manager of the Property, other than to a professional arm's-length manager approved by the Lender, without the prior written consent of the Lender. No management fees in excess of market fees for similar properties in the general location of the Property shall be payable without the prior written consent of the Lender.

56. NO PREPAYMENTS

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Borrower shall have no right to prepay all or any part of the amount outstanding under the Charge prior to the maturity date thereof.

57. NO PARTIAL DISCHARGES

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Borrower shall have no right to obtain a partial discharge(s) of the Charge

58. ADDITIONAL FEES

All advances, in addition to legal fees and disbursements of the Lender's solicitors, shall be subject to an administrative processing fee of One Thousand Dollars (\$1,000.00) for each advance made under the Loan in favour of the Lender. The Borrower shall be permitted one advance per month. If the Lender, in its sole discretion, agrees to make an advance in an amount not less than the minimum amount per advance as specified in this Commitment, an additional processing fee of One Thousand Dollars (\$1,000.00) for any such advance so made shall be payable by the Borrower.

59. ABANDONMENT

In the event of abandonment of the Project for a period in excess of fifteen (15) consecutive days, the Lender shall be entitled, after giving the Borrower written notice of any abandonment and provided the Borrower fails to rectify same within ten (10) days after such notice, has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and in addition to declare any funds advanced to forthwith become due and payable plus interest all at the Lender's option.

60. INTERPRETATION

It is hereby agreed that, in construing the Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, personal representatives, successors and assigns, as the case may be, of each and every of the parties hereto, and where any of the Borrower, the Lender and any Covenantor is more than one Person, their respective covenants shall be deemed to be joint and several, and the provisions of the Charge shall be read and construed with all changes of gender and number as required by the context.

61. HEADINGS

The headings with respect to the various paragraphs of the Charge are intended to be for identification of the various provisions of the Charge only and the wording of such headings is not intended to have any legal effect.

62. INVALIDITY

If any of the covenants or conditions in the Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

63. COUNTERPARTS

The Charge may be executed and/or registered in counterparts, each of which, so executed, and/or registered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, and notwithstanding their date of execution shall be deemed to bear date as of the date above written.

Schedule "B"

Additional

MORTGAGE CHARGE TERMS

"SCHEDULE OF FEES"

(This Schedule of Fees is attached to, and forms part of the Mortgage Commitment)

THE AMOUNT LISTED IN THIS SCHEDULE SUPERSEDE ANY AMOUNTS THAT MAY BE CONTAINED IN THE CHARGE OR STANDARD CHARGE TERMS. NOTWITHSTANDING anything to the contrary contained in the Standard Charge Terms (and in the event of any contradiction the following provisions shall prevail), the Borrower(s) covenants and agrees with the Lender as follows:

Mortgage Renewal:

The borrower shall pay the mortgage full amount including all charges and fees by Maturity date, otherwise mortgage will be considered in default. If in any case, the borrower wants to renew the mortgage, its only on lenders discretion and it should be in writing.

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Mortgage Statement Fee:

The Borrower(s) shall pay to the Lender's lawyer Mortgage Statement Fee of (\$450.00), for each occurrence, that the Lender is required to prepare a mortgage statement. (This does not include nor form part of any legal fees which are to be charged for the preparation and discharge of the mortgage. Further, the Borrower(s) are responsible for any and all legal fees due and payable to the Lender's solicitor in relation to the mortgage loan).

Mortgage/ Administrative Preparation Fee:

The Borrower(s) shall pay to the Lender Discharge Preparation Fee of (\$450.00), for each Occurrence, for the preparation and review of documentation plus HST. (This does not include or form part of any legal fees which are to be charged for the preparation and discharge of the mortgage. Further, the Borrower(s) are responsible for any and all legal fees due and payable to the Lender's solicitor in relation to the mortgage loan).

Discharge Registration Fee:

The Borrower(s) shall pay any out-of-pocket expenses incurred in relation to the preparation and registration of discharge documentation. (This includes, but is not limited to the Government Registration Charge for the registration of a Discharge of Charge).

N.S.F or Default Payment Fee:

The Borrower(s) shall pay the amount of \$35.00 for each occurrence of NSF or a default Payment, plus \$50.00 / diem added and payable for each occurrence that a payment is not made when due or the outstanding balance is not paid in full on the Maturity Date and the mortgage loan has not been renewed. Such fees will be added to the principal amount outstanding not paid within five days of occurrence.

Missed or Late Payment Fee:

The Borrower(s) shall pay the amount of (\$200.00), for each missed or late installment and for the replacement of each cheque or other instrument not honoured when presented for payment. If any cheque has been provided to the Lender which is either late or returned for any reason, the replacement amount must be paid by way of certified cheque or bank draft. Such fees will be added to the principal amount outstanding not paid within five days of occurrence.

Property Tax Administration Fee:

The Borrower(s) shall pay the amount of Two Hundred and Fifty Dollars, for each occurrence, that the Borrower(s) are unable to provide proof/or evidence that the Property Taxes are paid up to date, at the request of the Lender. Such fees will be added to the principal amount outstanding not paid within five days of occurrence.

Insurance Administration Fee:

The Borrower(s) shall pay the amount of Two Hundred and Fifty Dollars, for each occurrence, that the Borrower(s) are unable to provide proof/or evidence of a current and effective insurance policy noting the Lender as "loss payee" under the said policy, at the request of the Lender. Such fees will be added to the principal amount outstanding not paid within five days of occurrence.

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Payment Deferral Fee:

Should the Borrower(s) request a deferral of payment, and same has been approved by the Lender, the Borrower(s) shall pay to the lender a Payment Deferral Fee of (\$250.00), for each such occurrence. Such fees will be added to the principal amount outstanding not paid within five days of occurrence.

Post-Dated Cheques:

The Borrower(s) are to provide the Lender with 6 post-dated cheques prior to the funding of the mortgage loan and upon each half-year anniversary of the mortgage loan. Should the Borrower(s) fail to provide the 12-post-dated cheque payable to the Lender; the Borrower(s) shall pay to the Lender a Post-Dated Cheques Fee of Two Hundred and Fifty Dollars (\$250.00), for each such occurrence. Such fees will be added to the principal amount outstanding not paid within five days of occurrence. Failure to provide such cheques shall constitute a default under the Mortgage at the sole option of the Lender.

Legal / Demand Letters:

Should the Lender or their solicitor be required to send a letter to you in relation to your Mortgage Loan and any default or demand letters thereto, the Borrower(s) shall pay the Lender or lender's lawyer the sum of Five Hundred Dollars (\$500.00) for each such occurrence. Such fees will be added to the principal amount outstanding not paid within five days of occurrence.

3 months interest penalty and Power of Sale Upon default:

3 Months interest penalty due upon default. The lender has the right to initiate power of sale proceedings upon the default of 3 months of payment without further notice to the borrower or his representative. In case of default proceedings, an administration fee of \$ 6,500.00 will be charged for each action or proceeding.

The Mortgagee's additional administration and servicing fees are and shall be as follows:

Default Proceedings:	Payable for each step in any legal action or proceeding instituted	\$6,500.00
Admin Renewal Fee:	Minimum admin fee charged upon each renewal	\$450.00
Mortgage Statements:	Minimum fee for preparation of each statement by the mortgagee or mortgagee lawyer	\$ 450.00
Possession:	For attendance to take possession following default by the lender	\$6,500.00
Administration Fee:	Administration fee upon discharging your mortgage.	\$ 450.00
Maintenance:	For administering maintenance and security of the property in mortgagee's possession per day.	\$ 350.00

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This is Exhibit "I" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

SECURITY AGREEMENT

THIS AGREEMENT is made the day of March, 2022.

B E T W E E N:

BLUEBERRY RECORDS INC.
7601 Jane Street
Concord, Ontario L4K 1X2

- and -

STANART HOLDINGS INC.
26 Imperial Street
Toronto, Ontario M5P 1C2

- and -

FALVO HOLDINGS LIMITED
323 Deerhurst Drive
Brampton, Ontario L6T 5K3

(hereinafter collectively called the "Secured Party")

OF THE FIRST PART,

- and -

Z. DESJARDINS HOLDINGS INC.
157 Base Line Road West
London, Ontario N6J 1V8

(hereinafter called the "Debtor")

OF THE SECOND PART.

1.0 CONSIDERATION

(1) For valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, the Debtor enters into this security agreement (the "Agreement") with the Secured Party.

(2) Obligations Secured

The Security Interest (as hereinafter defined) is granted to the Secured Party by the Debtor as continuing security for the payment of all past, present and future indebtedness and for the payment and performance of all other present and future obligations of the Debtor to the Secured Party pursuant to a promissory note (the "Note") dated the date hereof in the principal amount of \$1,350,000 and a mortgage commitment dated March 16, 2022, as amended (the "Commitment") issued by the Secured Party and accepted by the Debtor (collectively the "Obligations").

2.0 CREATION OF SECURITY INTEREST

(1) The Debtor grants, mortgages, charges, transfers, assigns, creates to and in favour of the Secured Party as and by way of a fixed and specific charge and as and by way of a floating charge, a security interest (the "Security Interest") in the present and future undertaking, property and assets of the Debtor and in all goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), chattel paper, documents of title (whether negotiable or not), instruments, intangibles and securities now owned or hereafter owned or acquired by or on behalf of

Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) **Inventory** – all goods now or hereafter comprising part of the inventory of the Debtor including but not limited to goods now or hereafter held for sale or lease or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods, goods used for packing, materials used in the business of the Debtor not intended for sale and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
- (ii) **Equipment** – all goods now or hereafter used or intended to be used in any business of the Debtor (and which are not inventory) including but not limited to fixtures, plant, tools, furniture, equipment, machinery, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto, vehicles and other tangible personal property;
- (iii) **Accounts** – all accounts, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor, and all claims of any kind which the Debtor now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies and accounts receivable, and all contracts, security interests and other rights and benefits in respect thereof;
- (iv) **Chattel Paper** – all chattel paper now or hereafter owned by the Debtor, all present and future agreements made between the Debtor as secured party and others which evidence back a monetary obligation and a security interest in or lease of specific goods;
- (v) **Documents of Title** – all warehouse receipts, bills of lading and other documents of title, whether negotiable or non-negotiable, now or hereafter owned by the Debtor;
- (vi) **Documents** – with respect to the personal property described in subparagraphs (iii), (iv) and (v), all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating thereto and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (vii) **Securities** – all present and future securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitutes evidence of an obligation of the issuer; and including an uncertificated security within the meaning of Part VI (investment securities) of the *Business Corporations Act* (Ontario) and all substitutions therefore, and dividends and income derived therefrom;
- (viii) **Proceeds** – all personal property in any form derived directly or indirectly, from any dealings with collateral or subject to the Security Interest or the proceeds therefrom, and including any payment representing indemnity or compensation for loss or damage thereto or the proceeds therefrom;
- (ix) **Intangibles** – all goodwill, contract rights, patents, trade marks, copyrights and other industrial property and all other intangibles and other choses in action of the Debtor of every kind, whether due at the present time or hereafter to become due or owing and now or hereafter owned by the Debtor;

- (x) with respect to the personal property described in subparagraphs (i) to (ix) inclusive, all substitutions and replacements thereof, increases, additions and accessions thereto and any interest of the Debtor therein;
- (xi) with respect to the personal property described in subparagraphs (i) to (x) inclusive, personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for such property destroyed or damaged;
- (xii) **Money** – all present and future monies of the Debtor (other than trust monies lawfully belonging to others) whether authorized or adopted by the Parliament of Canada or as part of its currency or any foreign government as part of its currency; and
- (xiii) all property described in any schedule now or hereafter annexed hereto.

(2) The last day of the term of any lease, sublease or agreement therefore is specifically excepted from the Security Interest, but the Debtor agrees to stand in possession of such last day in trust for any person acquiring such interest of the Debtor. To the extent that the creation of the Security Interest would constitute a breach or cause the acceleration of any agreement, right, licence or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party and shall assign such agreement, right, licence or permit to the Secured Party forthwith upon obtaining the consent of the other party thereto.

(3) The terms “goods”, “chattel paper”, “documents of title”, “instruments”, “intangibles”, “securities”, “proceeds”, “inventory”, “monies” and “accessions” whenever used herein shall be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act of Ontario*, as amended from time to time, which Act, including amendments thereto and any Act substituted therefore and amendments thereto is herein referred to as the “P.P.S.A.” Provided always that the term “goods” when used herein shall not include “consumer goods” of Debtor as that term is defined in the P.P.S.A., and the term “inventory” when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Agreement. Any reference herein to “Collateral” shall, unless the context otherwise requires, be deemed a reference to “Collateral or any part thereof”. In this Agreement “Collateral” shall include the proceeds thereof.

Without limiting the generality of the description of Collateral as set out in paragraph 2 hereof, for greater certainty the Collateral shall include all present and future personal property of the Debtor located on or about or in transit to or from the address of the Debtor set forth in Schedule “A” attached hereto. The Debtor agrees to promptly inform the Secured Party in writing herein and the Debtor agrees to forthwith execute and deliver at its own expense from time to time, amendments to this Agreement or additional security agreements as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

3.0 **DEALINGS WITH COLLATERAL**

Until the occurrence of an Event of Default (as hereinafter defined) the Debtor may sell its inventory and collect its accounts in the ordinary course of business. The Debtor agrees to deposit all proceeds from the disposition of inventory into its ordinary operating general business bank account. The Secured Party shall have the right at any time and from time to time to confirm the existence and state of Collateral in any manner Secured Party may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as Secured Party may reasonably request in connection therewith and for such purpose to grant to Secured Party or its agents access during normal business hours to all places where Collateral may be located and to all premises occupied by Debtor.

4.0 **RECEIPT OF INCOME FROM AND INTEREST ON COLLATERAL**

(1) Until default, Debtor shall have the right to receive any monies constituting income from or interest on Collateral and if Secured Party receives any such monies prior to default, Secured Party shall either credit the same to the account of Debtor or pay the same promptly to Debtor.

(2) After default Debtor will not request or receive any monies constituting income from, or interest on, Collateral and if Debtor receives any such monies without any request by it, Debtor will receive the same in trust for, and promptly pay the same to, Secured Party.

5.0 **INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS REGARDING COLLATERAL**

- (1) Upon the occurrence of an Event of Default the Debtor authorizes Secured Party:
- (i) to receive any increase in or profits on Collateral (other than money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of paragraph 4 hereof and dealt with accordingly; and
 - (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefore; and to hold any such payment or distribution as part of Collateral.

(2) If Debtor receives any such increases or profits (other than money) or payments or distributions, Debtor will receive the same in trust for and deliver the same promptly to Secured Party to be held by Secured Party as herein provided.

6.0 **SECURITIES FORMING PART OF COLLATERAL**

Until the occurrence of an Event of Default, the Debtor shall be entitled to:

- (a) keep all securities which may be included as part of the Collateral registered in its own name;
- (b) exercise all voting and other rights in respect of such securities; and
- (c) collect and receive, for the Debtor's own use and benefit, all cash dividends, interest, income, revenue, return of capital or other distributions to the holders of such securities paid or made in respect of any of such securities.

7.0 **COLLECTION OF DEBTS FORMING PART OF COLLATERAL**

After default under this Agreement, Secured Party may notify all or any account debtors (as hereinafter defined) of the Security Interest and may also direct such account debtors to make all payments on Collateral to Secured Party. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from account debtors after default under this Agreement, whether before or after notification of the Security Interest to account debtors, shall be received and held by Debtor in trust for Secured Party and shall be turned over to Secured Party upon request.

8.0 **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

Debtor represents, warrants and acknowledges that Secured Party is relying thereupon and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

(1) The Collateral is or will be when Collateral is acquired genuine and beneficially owned by Debtor free of all security interests, mortgages, liens, claims, charges, taxes, assessments or other encumbrances, pledges (hereinafter collectively called "encumbrances") except those

which have been approved by the Secured Party;

(2) Each account, chattel paper and instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "account debtor"), and the amount represented by Debtor to Secured Party from time to time as owing by each account debtor or by all account debtors will be the correct amount actually and unconditionally owing by such debtor or account debtors, except for normal cash discounts where applicable;

(3) The Debtor has, or will have when Collateral is acquired, the capacity, authority and the right to create mortgages and charges of, and grant a security interest in the Collateral in favour of the Secured Party and generally perform its obligation under this Agreement;

(4) This Agreement has been duly and properly authorized by all necessary Corporate action and constitutes a legal, valid and binding obligation of the Debtor; and

(5) The Collateral does not include any goods which are used or acquired by the Debtor for use primarily for personal, family or household purposes.

9.0 **COVENANTS OF DEBTOR**

So long as this Agreement remains in effect Debtor covenants and agrees:

(1) **Payment** - To pay or satisfy all Obligations when due;

(2) **Encumbrances** - To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral or any part thereof free from all encumbrances, except for the Security Interest; and except as otherwise provided herein, not to sell, exchange, transfer, assign, lease, or otherwise dispose of Collateral or any interest therein without the prior written consent of Secured Party; which consent may not be unreasonably withheld or delayed;

(3) **Notice to Secured Party:** - To notify Secured Party promptly of:

(i) any significant change in the information contained herein relating to Debtor, Debtor's business or Collateral;

(ii) the details of any significant acquisition of Collateral;

(iii) the details of any claims or litigation of a material nature affecting Debtor or Collateral;

(iv) any material loss of or damage to Collateral;

(v) any material default by any account debtor in payment or other performance of his obligations; and

(4) **Care of Collateral** – To keep the Collateral in good order, condition and repair (normal wear and tear excepted) and not to use Collateral in violation of the provisions of this Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;

(5) **Further Assurances** – To do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things as may be reasonably requested by Secured Party of or with respect to Collateral in order to give effect to these presents and to pay all reasonable costs for searches and filings in connection therewith;

(6) **Taxes and Charges** – To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable, except for such taxes, rates, levies, assessments and other charges which are being contested in good faith by proper legal proceedings

and with respect to which adequate reserves have been established and are being maintained;

(7) **Insurance** – To carry insurance from financially responsible insurance companies and to maintain such insurance against fire, theft, water damage, public liability, property damage and all other related risks, with loss payable to Secured Party, to cover the full insurable value of the Collateral as Secured Party may reasonably require or, in the absence of such requirement, to the extent insured against by comparable corporations engaged in comparable businesses and owning or operating similar properties, and to deliver to Secured Party copies of all policies, renewals and replacements within fifteen (15) days of their issue and delivery to Debtor, and to cause Secured Party to be named as loss payee on such policies;

(8) **Accession** – To prevent Collateral, except for inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Agreement or from becoming a fixture;

(9) **Business Activities** – To carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and the earnings, incomes, rents, issues and profits thereof and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records at Secured Party's request, so as to indicate the Security Interest;

(10) **Deliveries** – To deliver to Secured Party from time to time promptly upon request:

- (i) Any documents of title, instruments, securities and chattel paper constituting, representing or relating to Collateral;
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business, including aged lists of inventory and accounts;
- (iv) all policies and certificates of insurance relating to Collateral; and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as Secured Party may reasonably request.

(11) **Conformity** – To duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held.

(12) **Maintain Existence** – The Debtor shall maintain its existence and shall not change its name or amalgamate or sell, exchange, assign or lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Secured Party which consent may not be unreasonably withheld or delayed except that until an event of default as described in paragraph 10.0 occurs, the Debtor may sell or lease inventory in the ordinary course of its business.

(13) **Payment of Expenses** – To pay all reasonable expenses, including solicitors' and receivers' fees and disbursements incurred by the Secured Party or its agents (including any receiver, as hereinafter defined) in connection with the preparation, perfection, preservation and enforcement of this Agreement; including but not limited to all expenses incurred by the Secured Party or such agents in dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the Security Interest, all of which expenses shall be payable forthwith upon demand and shall form part of the Obligations.

Upon failure by the Debtor to perform any of the covenants described in this paragraph, the Secured Party is authorized and has the option to take possession of the Collateral and, whether it has taken possession or not, to perform any of the agreements in any manner

deemed proper by the Secured Party, without waiving any rights to enforce this Agreement. The reasonable expenses (including the cost of any insurance and payment of taxes or the charges and reasonable legal costs on a solicitor and client basis) incurred by the Secured Party in respect of the custody, preservation, use or operation of the Collateral shall be deemed advanced to the Debtor by the Secured Party, shall bear interest at the interest rate set forth in the Commitment (the "Interest Rate") and shall be secured by this Agreement.

10.0 EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default" or an "Event of Default":

- (1) The Debtor fails to satisfy or perform any of the Obligations when due;
- (2) The Debtor is in default of the Commitment, the Note or any security provided by the Borrowers to the Secured Party to secure its obligations to the Secured Party pursuant to the Commitment;
- (3) The non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement between Debtor and Secured Party and such failure has not been waived or cured within any applicable period of grace;
- (4) The bankruptcy or insolvency of the Debtor or any guarantor of the Obligations; the filing against the Debtor or any guarantor of the Obligations of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor, the Borrowers or any guarantor of the Obligations; the appointment of a receiver or trustee for the Debtor, the Borrowers or any guarantor of the Obligations or for any assets of the Debtor, the Borrowers or any guarantor of the Obligations; or the institution by or against the Debtor, the Borrowers or any guarantor of the Obligations of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* or otherwise;
- (5) The institution by or against the Debtor or any guarantor of the indebtedness of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor or any guarantor of the indebtedness;
- (6) If any encumbrance affecting Collateral becomes enforceable against Collateral;
- (7) If Debtor or any guarantor of the Obligations ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- (8) If any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or any guarantor of the Obligations or if a distress or analogous process is levied upon the assets of Debtor or any guarantor of the indebtedness or any part thereof;
- (9) If any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to Secured Party to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified or becomes incorrect in any respect at any time or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to Secured Party at or prior to the time of such execution; or
- (10) If Secured Party, in good faith, believes and has commercially reasonable grounds to believe that the prospect of payment of any indebtedness or performance of the Obligations is or is

about to be placed in jeopardy.

11.0 **ACCELERATION**

Secured Party, in its sole discretion, may declare all or any part of the Obligations which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default.

12.0 **REMEDIES**

(1) Upon default, if the Secured Party declares that the Obligations shall become immediately due and payable in full, the Debtor and the Secured Party shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the P.P.S.A and this Agreement. Secured Party may appoint or re-appoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of Secured Party or not, to be a receiver or receivers (hereinafter called a "receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any receiver so appointed and appoint another in his stead. Any such receiver shall, so far as concerns responsibility for his acts, be deemed the agent of Debtor and not Secured Party, and Secured Party shall not be in any way be responsible for any misconduct, negligence, or nonfeasance on the part of any such receiver, his servants, agents or employees. Subject to the provisions of the instrument appointing him, any such receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable him to carry on Debtor's business or otherwise as such receiver shall in his discretion determine. Except as may be otherwise directed by Secured Party, all monies received from time to time by such receiver in carrying out his appointment shall be received in trust for and paid over to Secured Party. Every such receiver may, in the discretion of Secured Party, be vested with all or any of the rights and powers of Secured Party.

(2) Upon default, Secured Party may, either directly or through its agents or nominees, exercise all the powers and rights given to a receiver by virtue of the foregoing subparagraph (1).

(3) Secured Party may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefore and in respect thereof and, upon default, Secured Party may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, at public auction, by public tender or by private sale, for such consideration and upon such terms and conditions as to Secured Party may seem reasonable.

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

(5) Debtor acknowledges that Secured Party or any receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from Secured Party or any such receiver to assemble and deliver possession of Collateral at such place or places as directed.

(6) Debtor agrees to pay all costs, charges and expenses reasonably incurred by Secured Party or any receiver appointed by it, whether directly or for services rendered (including legal costs on a solicitor and client basis and auditors' costs and receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Agreement, taking custody of, preserving, repairing,

processing, preparing for disposition and disposing of Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses together with any monies owing as a result of any borrowing by Secured Party or any receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(7) Unless the Collateral in question is perishable or unless Secured Party believes on reasonable grounds that the Collateral in question will decline speedily in value, Secured Party will give Debtor such notice of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the *Personal Property Security Act*.

13.0 STANDARDS OF SALE

Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (1) Collateral may be disposed of in whole or in part;
- (2) Collateral may be disposed of by public sale upon written notice to the Debtor following one advertisement in a newspaper having general circulation in the location of the Collateral to be sold at least seven (7) days prior to such sale;
- (3) Collateral may be disposed of by private sale after receipt by the Secured Party of two (2) written offers;
- (4) The purchaser or lessee of such Collateral may be a customer of the Secured Party;
and
- (5) The disposition may be cash or credit or part cash or credit; and the Secured Party may establish a reserve in respect of all or any portion of the Collateral.

14.0 DISPOSITION OF MONIES

Any proceeds of any disposition of any of the Collateral may be applied by Secured Party to the payment of expenses incurred in connection with the retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral (including legal costs on a solicitor and client basis and any other reasonable expenses), and any balance of such proceeds may be applied by Secured Party towards the payment of the Obligations in such order of application as Secured Party may from time to time effect. All such expenses and all amount's borrowed on the security of the Collateral under paragraph 12.0 hereof shall bear interest at the Interest Rate and shall be included as the indebtedness under this Agreement. If the disposition of the Collateral fails to satisfy the Obligations and the expenses incurred by Secured Party, Debtor shall be liable to pay for any deficiency on demand.

15.0 MISCELLANEOUS

(1) Debtor hereby authorizes Secured Party to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto as situate) as Secured Party may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints Secured Party (or the president from time to time of Secured Party) the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever in the event that the Debtor refuses to do so or the occurrence of a default.

(2) Upon Debtor's failure to perform any of its duties hereunder, Secured Party may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to Secured Party, forthwith upon written demand therefore, an amount equal to the expense incurred by Secured Party in so doing plus interest thereon from the date such expense is incurred until it is paid at the Interest Rate.

(3) Secured Party may grant extensions of time and other indulgences, take and give security, accept compositions, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as Secured Party may see fit without prejudice to the liability of Debtor or Secured Party's right to hold and realize the Security Interest. Furthermore, after Default Secured Party may demand, collect and sue on Collateral in either Debtor's or Secured Party's name, at Secured Party's option, and may endorse Debtor's name on any and all cheques, commercial paper and any other instruments pertaining to or constituting Collateral.

(4) No delay or omission by Secured Party in exercising any right or remedy hereunder or with respect to any indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, Secured Party may remedy any default by Debtor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(5) Debtor waives protest of any instrument constituting Collateral at any time held by Secured Party on which Debtor is in any way liable and, subject to subparagraph 15 (8) hereof, notice of any other action taken by Secured Party.

(6) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

(7) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(8) This Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario as the same may from time to time be in effect, including the *Personal Property Security Act*.

(9) Subject to the requirements of subparagraph 15(7), any notice to Debtor in connection with this Agreement shall be well and sufficiently given if sent by prepaid registered mail to or delivered to Debtor at the address set out on page one hereof or to such other address as Debtor may from time to time designate in writing to Secured Party. Any notice to Secured Party in connection with this Agreement shall be well and sufficiently given if sent by prepaid registered mail or delivered to Secured Party at the address set out on page one or to such other address as Secured Party may from time to time designate in writing to Debtor. Any such notice shall be deemed to have been given if delivered, when delivered, and if mailed, on the fourth business day following that on which it was mailed. In the event of a known interruption of postal services, any notice required or contemplated herein shall be deemed to have been delivered to Debtor only if delivered by hand to Debtor at the address specified herein or pursuant hereto and to Secured Party only if delivered by hand to Secured Party at the address specified herein or pursuant hereto.

(10) This Agreement and the Security Interest is in addition to and not in substitution for any other security now or hereafter held by Secured Party and is intended to be a continuing Agreement and shall remain in full force and effect until the indebtedness has been paid in full.

(11) In this Agreement the term "successors" shall include (and without limiting its meaning) any corporation resulting from the amalgamation of one corporation with another corporation.

(12) The headings used in this Agreement are for convenience only and are not to be considered a part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement.

(13) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(14) In the event any provisions of this Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

(15) The parties acknowledge that value has been given and the Security Interest created hereby is intended to attach when this Agreement is signed by Debtor and Debtor agrees that it is not the intention of Secured Party or Debtor to postpone the attachment of the Security Interest and accordingly, attachment, as defined in the P.P.S.A, will occur simultaneously upon the execution of this Agreement.

(16) Time shall be of the essence of this Agreement.

(17) If this Agreement has been executed by more than one Debtor, the obligations of each Debtor shall be joint and several.

(18) This Agreement and the Obligations may be assigned in whole or in part by the Secured Party to any person, firm or corporation without notice or consent of the Debtor. This Agreement may not be assigned by the Debtor without the prior written consent of the Secured Party.

(19) Nothing contained in this Agreement, including the execution of same and/or the filing of a financing statement(s) shall obligate the Secured Party to make any loan to or accommodation to the Debtor or to extend the time for payment or satisfaction of any Obligations.

16.0 ACKNOWLEDGMENTS OF DEBTOR

Debtor hereby acknowledges receipt of an executed copy of this Agreement and that the failure of Secured Party to receive full payment or satisfaction of the Obligations through its rights and remedies herein provided shall not in any way release the Debtor who covenants to pay or satisfy any deficiency. A facsimile signature on this document shall be fully effective for all purposes and binding on the undersigned, its successors and assigns.

IN WITNESS WHEREOF this Security Agreement has been signed, sealed and delivered on the date set out above.

Z. DESJARDINS HOLDINGS INC.

DocuSigned by:
Per: ZACHARY DESJARDINS
Name: Zachary Desjardins
Title: President

I have authority to bind the corporation.

SCHEDULE "A"

Property 1 - PIN 41249-0027 (LT) -71146 Bluewater Highway, Grand Bend, ON

PT LT 7 CON E OF LAKE RD STEPHEN AS IN R331601; MUNICIPALITY OF SOUTH HURON

Property 2 - PIN 41236-0117 (LT) -51 Main Street, Clinton, ON

CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376, SAVE AND EXCEPT HWPI875 EXETER; MUNICIPALITY OF SOUTH HURON

Property 3- PIN 41176-0057 (LT) -227 Victoria Street, Clinton, ON

LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON AS IN R308390; MUNICIPALITY OF CENTRAL HURON

SCHEDULE "B"

**PERSONAL PROPERTY SECURITY ACT
SUMMARY**

Nil

This is Exhibit "J" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

GUARANTEE AND POSTPONEMENT OF CLAIM

TO: BLUEBERRY RECORDS INC.
AND TO: STANART HOLDINGS INC.
AND TO: FALVO HOLDINGS LIMITED

WHEREAS BLUEBERRY RECORDS INC., STNART HOLDINGS INC. AND FALVO HOLDINGS LIMITED (hereinafter collectively called the "Lender") has advanced funds or is about to advance funds to Z. DESJARDINS HOLDINGS INC. (hereinafter called the "Borrower") and in consideration of your intention to advance the said funds to the Borrower, and other good and valuable consideration and the sum of Two Dollars (\$2.00), the receipt and sufficiency of which are hereby acknowledged, the undersigned (hereinafter called the "Guarantor") hereby, declare, covenant and agree as follows

1. In this Guarantee and Postponement of Claim the following words shall have the meaning as indicated opposite such word:

- (a) "Credit" - means financial accommodation of any kind whatsoever.
- (b) "Indebtedness" - means in its broadest sense all obligations of the Borrower to the Lender, alone or with others heretofore or hereafter incurred, whether voluntarily or involuntarily, whether due or not due, whether absolute, inchoate, contingent, liquidated or unliquidated together with interest on each and every such obligation.

2. Without further authorization from or notice to the Guarantor, you may grant Credit and advance funds to the Borrower from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with or without notice to the Guarantor you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Borrower or by any person or persons liable to you of any Indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or add one or more guarantor or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or non-exercise by you of any right hereby given you, no failure by you to record, complete or otherwise perfect any securities given you by the Borrower or the Guarantor or any person, firm or corporation, no dealing by you with the Borrower or any guarantor or endorser and no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Guarantor's obligations hereunder or any security furnished by the Guarantor or give the Guarantor any recourse against you.

3. The Guarantor, guarantees unconditionally and promises to pay to you or your order each item of Indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any Indebtedness of the Borrower hereby guaranteed or in enforcing this Guarantee against the Guarantor and, promise to perform each guaranteed obligation when due.

4. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Borrower, any other Guarantor, any other person, firm or corporation, or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Guarantor of all Indebtedness hereby guaranteed. Provided always, this Guarantee shall not be determined or affected or your rights thereunder prejudiced by the discontinuance of this Guarantee as to one or more other Guarantor or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of the Borrower, or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of any other guarantor.

5. Upon this Guarantee bearing the signature of the Guarantor coming into your hands or the hands of any officer, agent or employee thereof the same shall be deemed to be finally executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor's liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender,

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unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Guarantor's liability hereunder.

6. No alteration or waiver of this Guarantee or any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of your duly authorized officers in that regard.

7. Until all Indebtedness hereby guaranteed has been paid in full the Guarantor shall not have any right of subrogation unless expressly given the Guarantor in writing by one of your duly authorized officers in that regard.

8. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or moneys received to any portion of the Indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.

9. No change in the name, objects, share capital, business, membership, directorate powers, organization or management of the Borrower shall in any way affect the obligations of the Guarantor, either with respect to transactions occurring before or after any such change, it being understood that where the Borrower is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Borrower notwithstanding any change or changes in the name or membership of the Borrower's firm or in the name of the Corporate Borrower, and notwithstanding any reorganization of the Corporate Borrower, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.

10. Where each one of the Borrower is a corporation or partnership or an entity, you shall not be concerned to see or inquire into the powers of the Borrower or its directors, partners or agents acting or purporting to act on its behalf, and Credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the Indebtedness hereby guaranteed even though the borrowing or obtaining of such Credit was irregularly, fraudulently, defectively or informally effected, or in excess of the powers of the Borrower or of the directors, partners or agents thereof. The Guarantor warrant and represent that it is fully authorized by law to execute this Guarantee of Credit to be granted to the Borrower.

11. The statement in writing of any of your authorized officers from time to time of the Indebtedness of the Borrower to you and covered by this Guarantee shall be received as prima facie evidence as against the Guarantor that such amount is at such time so due and payable to you and is covered hereby.

12. All indebtedness, present and future, of the Borrower to the Guarantor is hereby assigned to you and postponed to the present and future Indebtedness of the Borrower to you and all moneys received from the Borrower or for his account by the Guarantor shall be received in trust for you, and forthwith upon receipt, paid over to you until the Borrower's Indebtedness to you is fully paid and satisfied, all without prejudice to you and without in any way limiting or lessening the liability of the undersigned to you under this Guarantee. If any of the Borrower is a partnership of which any of the Guarantor is a member, the Guarantor will not without the prior written consent of one of your duly authorized officers withdraw any capital of the Guarantor invested with the Borrower.

13. Upon the bankruptcy or winding up or other distribution of assets of the Borrower or any surety or guarantor for any Indebtedness of the Borrower to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the Guarantor's liability to you and until all Indebtedness of the Borrower to you has been fully paid to you, you shall have the right to include in your claim the amount of all sums paid by the Guarantor to you under this Guarantee and to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you. The Guarantor shall not be released from liability if recovery from the Borrower, any other guarantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.

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14. The Guarantor will file all claims against the Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law upon any Indebtedness of the Borrower to the Guarantor and will assign to you all of the Guarantor's rights thereunder. If the Guarantor does not file any such claim, you, as attorney in fact of the Guarantor, are hereby authorized to do so in the name of the Guarantor or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the full extent necessary for that purpose the Guarantor hereby assign to you all the Guarantor's right to any payments or distributions to which the Guarantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.

15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law and, without restricting the generality of the foregoing, if you hold one or more guarantee executed by the Guarantor relating to Credit extended to the Borrower by you, the amount of the Guarantor's liability imposed by such other guarantee or guarantee shall be added to the amount of the Guarantor's liability imposed by the provisions hereof and the resulting total shall be the amount of the Guarantor's liability.

16. The Guarantor shall pay to you on demand (in addition to all debts and liabilities of the Borrower hereby guaranteed) all costs, charges and expenses (including without limitation, lawyer's fees as between Solicitor and client) incurred by you for the preparation, execution and perfection and enforcement of this Guarantee and of any securities collateral thereto, together with interest calculated from the date of payment by you of each such costs, charges and expenses until payment by the Guarantor hereunder.

17. In case of default you may maintain an action upon this Guarantee whether or not the Borrower is joined therein or separate action is brought against the Borrower or judgement obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the Guarantor or by any number of successive actions until and unless all Indebtedness hereby guaranteed has been paid and each of the Guarantor's obligations hereunder has been fully performed.

18. If any provision of this Guarantee is determined in any proceeding by a Court of Jurisdiction to be invalid or to be wholly or partially unenforceable, that provision shall, for the purposes of such a proceeding, be severed from this Guarantee at the Lender's option and shall be treated as not forming a part hereof and all the remaining provisions of this Guarantee shall remain in full force and shall be unaffected thereby.

19. Any notice or demand which you may wish to give may be served on the Guarantor either personally or on his legal personal representative or in the case of a corporation on an officer of the corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address of the person to be served as it appears on your records, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed.

20. This Guarantee shall be construed in accordance with the laws of the Province of Ontario and in any action thereon the Guarantor shall be estopped from denying the same; any judgement recovered in the Courts of such Province against the Guarantor or their respective executors, administrators, legal personal representatives, successors and/or assigns shall be binding on them.

21. Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine gender and any word importing a person shall include a corporation, partnership, firm and any entity.

22. In the event of your making a demand upon the undersigned or any or all of the undersigned upon this Guarantee each of the undersigned shall be held and bound to you directly as principal

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debtor in respect of the payment of the amounts hereby guaranteed and if there be more than one undersigned then liability hereunder shall be joint and several.

23. This Guarantee and agreement on the part of the Guarantor shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the Guarantor and their respective executors, administrations, legal personal representatives, successors and assigns.

IN WITNESS WHEREOF the Guarantor have executed this Guarantee, this ²⁵ _____ day of March, 2022.

SIGNED, SEALED & DELIVERED
In the presence of:

DocuSigned by:
Alejandro Jaramillo
5768285E1AD84EC
Name: Alejandro Jaramillo

DocuSigned by:
ZACHARY DESJARDINS
Zachary Desjardins

This is Exhibit “K” referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

Properties

PIN 41176 - 0057 LT Interest/Estate Fee Simple
 Description LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON AS
 IN R308390; MUNICIPALITY OF CENTRAL HURON
 Address 227 VICTORIA ST
 CLINTON

Chargor(s)

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

Name Z. DESJARDINS HOLDINGS INC.
 Address for Service 71146 Bluewater Hwy, Grand Bend, ON
 NOM 1T0

I, Zachary Desjardins, President, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name 1917171 ONTARIO INC.
 Address for Service 238 Melissa Lane Tiny, Ontario L9M 0T8

Provisions

Principal \$750,000.00 Currency CDN
 Calculation Period
 Balance Due Date 2022/02/28
 Interest Rate 6%
 Payments
 Interest Adjustment Date 2021 06 29
 Payment Date
 First Payment Date
 Last Payment Date
 Standard Charge Terms 200033
 Insurance Amount Full insurable value
 Guarantor Zachary Desjardins

Additional Provisions

This mortgage is for an 8 month term at 6% interest calculated monthly.
 Monthly, interest only payments.
 In the event of the sale of all or any part of the subject property, the mortgage shall become due and payable.

Signed By

Keith Ian McLean 387 Main St. acting for Signed 2021 07 02
 Exeter Chargor(s)
 NOM 1S6

Tel 519-235-2234
 Fax 519-235-2671

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

Submitted By

RAYMOND & MCLEAN 387 Main St. 2021 07 02
 Exeter
 NOM 1S6

Tel 519-235-2234
 Fax 519-235-2671

Fees/Taxes/Payment

Statutory Registration Fee \$65.30

Fees/Taxes/Payment

Total Paid \$65.30

File Number

Chargor Client File Number : 2021-165

This is Exhibit “L” referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

Properties

PIN 41236 - 0117 LT *Interest/Estate* Fee Simple
Description CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376,
 SAVE AND EXCEPT HWP1875 EXETER; MUNICIPALITY OF SOUTH HURON
Address 51 MAIN STREET NORTH
 EXETER

Chargor(s)

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

Name Z. DESJARDINS HOLDINGS INC.
Address for Service 71146 Bluewater Highway
 R.R. 2
 Grand Bend, On NOM 1T0

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

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

Chargee(s)*Capacity**Share*

Name HENSALL DISTRICT CO-OPERATIVE, INCORPORATED
Address for Service 1 Davidson Drive, Box 1
 Hensall, ON N0M 1X0

Provisions

Principal \$79,990.08 *Currency* CDN
Calculation Period Half-Yearly, not in advance
Balance Due Date 2028/02/01
Interest Rate 8.45
Payments \$1,639.19
Interest Adjustment Date
Payment Date 1st monthly
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount Full insurable value
Guarantor Zachary Desjardins

Signed By

Jennifer Wemyss 88 Dufferin Avenue acting for Signed 2023 02 15
 London Chargor(s)
 N6A 1K4

Tel 519-672-4131

Fax 519-672-3554

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

Submitted By

LERNERS LLP 88 Dufferin Avenue 2023 02 15
 London
 N6A 1K4

Tel 519-672-4131

Fax 519-672-3554

Fees/Taxes/Payment

Statutory Registration Fee \$69.00
Total Paid \$69.00

This is Exhibit "M" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

Enquiry Result

File Currency: 12SEP 2023

Show All Pages

All Pages



Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	758470158	1	15	1	34	11DEC 2023			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
758470158		001	1		20191211 1013 1590 2525	P PPSA	2		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.					002695272			
	Address				City	Province	Postal Code		
	71146 BLUEWATER HWY., R.R. 2				GRAND BEND	ON	N0M 1T0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	1112396 ONTARIO LIMITED								
	Address				City	Province	Postal Code		
	1325 EGLINTON AVE EAST				MISSISSAUGA	ON	L4W 4L9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
					X				X
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT AND NOTICE OF GENERAL ASSIGNMENT OF RENTS								
	ON 227 VICTORIA STREET, CLINTON, ONTARIO N0M 1L0								

Registering Agent	Registering Agent			
	SCHWARTZ & SCHWARTZ (JEFFREY SCHWARTZ)			
	Address	City	Province	Postal Code
	258 WILSON AVENUE	TORONTO	ON	M3H 1S6

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page					of Pages
	758470158	1	15	2					34
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		01	001		20211130 1731 1590 6866				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	758470158			B RENEWAL	1				
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	Z. DESJARDINS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model			V.I.N.	
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	SCHWARTZ & SCHWARTZ (JEFFREY SCHWARTZ)								

	Address	City	Province	Postal Code
	258 WILSON AVENUE	TORONTO	ON	M3H 1S6

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page					of Pages
	758470158	1	15	3					34
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		01	001		20221201 1453 1590 1105				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	758470158			B RENEWAL	1				
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	Z. DESJARDINS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model			V.I.N.	
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	SCHWARTZ & SCHWARTZ (JEFFREY SCHWARTZ)								

	Address	City	Province	Postal Code
	258 WILSON AVENUE	TORONTO	ON	M3H 1S6

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	763030494	2	15	4	34	25JUN 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
763030494		001	9		20200625 1006 1902 7362	P PPSA	04		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	157 BASELINE RD W				LONDON	ON	N6J 1V8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	COUNTRY MARKET GAS								
	Address				City	Province	Postal Code		
	157 BASELINE RD W				LONDON	ON	N6J 1V8		
Secured Party	Secured Party / Lien Claimant								
	EQUIREX, A DIVISION OF BENNINGTON FINANCIAL CORP.								
	Address				City	Province	Postal Code		
	101-1465 NORTH SERVICE RD E				OAKVILLE	ON	L6H 1A7		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X			23JUN2024	
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	PURSUANT TO LEASE AGREEMENT 20003642, ALL PRESENT AND FUTURE								
	EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 20003642 TOGETHER WITH ALL								
	ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS,								
Registering Agent	Registering Agent								
	ESC CORPORATE SERVICES LTD.								
	Address				City	Province	Postal Code		
	201-1325 POLSON DRIVE				VERNON	BC	V1T 8H2		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	763030494	2	15	5	34	25JUN 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
763030494		002	9		20200625 1006 1902 7362				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	29NOV1979	ZACHARY				DESJARDINS			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	157 BASELINE RD W				LONDON	ON	N6J 1V8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	71146 BLUEWATER HWY R R 2				GRAND BEND	ON	N0M 1T0		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE,								
	ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY								
	DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS,								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	763030494	2	15	6	34	25JUN 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
763030494		003	9		20200625 1006 1902 7362				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	763030494	2	15	7	34	25JUN 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
763030494		004	9		20200625 1006 1902 7362				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR								
	COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR THE PROCEEDS OF								
	THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING 1 NEW								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	763030494	2	15	8	34	25JUN 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
763030494		005	9		20200625 1006 1902 7362				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	KARDTECH CARD LOCK SYSTEM 1 - RCS SOLUTION - POS-X ION TP5 TERMINAL WITH INTEGRATED PRINTER, TRUFLAT PROJECTED CAPACITIVE TOUCHSCREEN, CASH DRAWER, BAR CODE SCANNER AND REAR CUSTOMER FACING DISPLAY -								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	763030494	2	15	9	34	25JUN 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
763030494		006	9		20200625 1006 1902 7362				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	WAYNE PIE BOX 1 - RCS SOLUTION - POS-X ION TP5 TERMINAL WITH INTEGRATED PRINTER, TRUFLAT PROJECTED CAPACITIVE TOUCHSCREEN, CASH DRAWER, BAR CODE SCANNER AND REAR CUSTOMER FACING DISPLAY - TOKHIEM								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	763030494	2	15	10	34	25JUN 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
763030494		007	9		20200625 1006 1902 7362				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	PIE BOX 1 - RCS SOFTWARE WITH SLAVE CONSOLE 4 - MULTI-PASS - CARD								
	READER KIT, SECURE INJECT 1 - MICROHARD VIP4GB KIT WITH ANTENNAS AND								
	NETGEAR SWITCH 200 - CUSTOM PROGRAMMED MAG CARD 2 - IX-PAY BOARD RED								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	763030494	2	15	11	34	25JUN 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
763030494		008	9		20200625 1006 1902 7362				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	1 - WAYNE SELECT SUCTION - SUPER HIGH CAPACITY DSL SINGLE HOSE 2 -								
	RCS SOLUTION - POS-X ION TP5 TERMINAL WITH INTEGRATED PRINTER,								
	TRUFLAT PROJECTED CAPACITIVE TOUCHSCREEN, CASH DRAWER, BAR CODE								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	763030494	2	15	12	34	25JUN 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
763030494		009	9		20200625 1006 1902 7362				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	SCANNER AND REAR CUSTOMER FACING DISPLAY								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page					of Pages
	763030494	2	15	13					34
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	1		20200813 1332 1902 0721				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	763030494			A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	Z. DESJARDINS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	AMEND DEBTOR FROM ZACHARY DESJARDINS 157 BASELINE RD W LONDON, ON, N6J1V8 (DOB 29 NOV 1979) TO ZACHARY DESJARDINS 157 BASELINE RD W LONDON, ON, N6J1V8 (DOB 04 JUL 1992)								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	04JUL1992	ZACHARY				DESJARDINS			
	Business Debtor Name								Ontario Corporation Number
	Address				City		Province	Postal Code	
	157 BASELINE RD W				LONDON		ON	N6J1V8	
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City		Province	Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	ESC CORPORATE SERVICES LTD.								

	Address	City	Province	Postal Code
	201-1325 POLSON DRIVE	VERNON	BC	V1T 8H2

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	769993065	3	15	14	34	19FEB 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
769993065		01	001		20210219 1443 1530 5499	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	71146 BLUEWATER HWY				GRAND BEND	ON	N0M 1T0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	36 YORK MILLS ROAD, 4TH FLOOR				TORONTO	ON	M2P 0A4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	CANADIAN SECURITIES REGISTRATION SYSTEMS								
	Address				City	Province	Postal Code		
	4126 NORLAND AVENUE				BURNABY	BC	V5G 3S8		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	771981399	4	15	15	34	28APR 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
771981399		01	001		20210428 1408 1462 7347	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	71146 BLUEWATER HIGHWAY				GRAND BEND	ON	N0M1T0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	OXFORD LEASEWAY LTD.								
	Address				City	Province	Postal Code		
	1249 HYDE PARK ROAD				LONDON	ON	N6H5K6		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X		X		X	X	44497		X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
	2021	RAM			1500	3C6RR7KG3MG563844			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	OXFORD LEASEWAY LTD.								
	Address				City	Province	Postal Code		
	1249 HYDE PARK ROAD				LONDON	ON	N6H5K6		

END OF FAMILY

Type of Search	Business Debtor				
Search Conducted On	Z. DESJARDINS HOLDINGS INC.				
File Currency	12SEP 2023				
	File Number	Family	of Families	Page	of Pages
	781436781	5	15	16	34

DISPLAY DUMMY REGISTRATION

	File Number	Expiry Date	Status
	781436781	13SEP 2024	
THE NEXT REGISTRATION IS A FINANCING CHANGE STATEMENT/CHANGE STATEMENT OR A MOTOR VEHICLE SCHEDULE WHICH REFERS TO A REGISTRATION THAT IS NOT RECORDED IN THE SYSTEM. IF IT IS A FINANCING CHANGE STATEMENT/CHANGE STATEMENT, THIS MAY HAVE OCCURRED AS A RESULT OF AN ERROR OR BECAUSE THE REGISTRATION REFERRED TO HAS EXPIRED OR BEEN DISCHARGED. IF IT IS A MOTOR VEHICLE SCHEDULE, THIS MAY HAVE OCCURRED BECAUSE OF AN ERROR.			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page					of Pages
	781436781	5	15	17					34
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		01	001		20230913 1047 1590 0144				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	781436781			B RENEWAL	3				
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	Z. DESJARDINS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model			V.I.N.	
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	FRIEDMAN LAW PROFESSIONAL CORPORATION								

	Address	City	Province	Postal Code
	800-150 FERRAND DRIVE	TORONTO	ON	M3C 3E5

END OF FAMILY

Type of Search	Business Debtor				
Search Conducted On	Z. DESJARDINS HOLDINGS INC.				
File Currency	12SEP 2023				
	File Number	Family	of Families	Page	of Pages
	781436808	6	15	18	34

DISPLAY DUMMY REGISTRATION

	File Number	Expiry Date	Status
	781436808	13SEP 2024	

THE NEXT REGISTRATION IS A FINANCING CHANGE STATEMENT/CHANGE STATEMENT OR A MOTOR VEHICLE SCHEDULE WHICH REFERS TO A REGISTRATION THAT IS NOT RECORDED IN THE SYSTEM. IF IT IS A FINANCING CHANGE STATEMENT/CHANGE STATEMENT, THIS MAY HAVE OCCURRED AS A RESULT OF AN ERROR OR BECAUSE THE REGISTRATION REFERRED TO HAS EXPIRED OR BEEN DISCHARGED. IF IT IS A MOTOR VEHICLE SCHEDULE, THIS MAY HAVE OCCURRED BECAUSE OF AN ERROR.

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page					of Pages
	781436808	6	15	19					34
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		01	001		20230913 1047 1590 0142				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	781436808			B RENEWAL	3				
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	Z. DESJARDINS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	FRIEDMAN LAW PROFESSIONAL CORPORATION								

	Address	City	Province	Postal Code
	800-150 FERRAND DRIVE	TORONTO	ON	M3C 3E5

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	786446019	7	15	20	34	06SEP 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
786446019		001	2		20220906 1131 1590 8828	P PPSA	2		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.					002695272			
	Address				City	Province	Postal Code		
	C/O ZACHARY DESJARDINS, 157 BASE LINE				LONDON	ON	N6J 1V8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	1112396 ONTARIO LIMITED								
	Address				City	Province	Postal Code		
	1325 EGLINTON AVE E				MISSISSAUGA	ON	L4W 4L9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
					X		1700000		X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT AND NOTICE OF GENERAL ASSIGNMENT OF RENTS								
	ON 51 MAIN ST N, EXETER, ONTARIO								
Registering Agent	Registering Agent								
	SCHWARTZ & SCHWARTZ (JEFFREY SCHWARTZ)								
	Address				City	Province	Postal Code		
	258 WILSON AVENUE				TORONTO	ON	M3H 1S6		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	786446019	7	15	21	34	06SEP 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
786446019		002	2		20220906 1131 1590 8828				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
	ROAD WEST								
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	790270722	8	15	22	34	26JAN 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
790270722		01	001		20230126 1403 1462 6885	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	71146 BLUEWATER HWY				GRAND BEND	ON	N0M1T0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	OXFORD LEASEWAY LTD.								
	Address				City	Province	Postal Code		
	1249 HYDE PARK ROAD				LONDON	ON	N6H5K6		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X		X			X	86951		X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
	2022	RAM			HD 2500	3C6UR5CL0NG433418			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	OXFORD LEASEWAY LTD.								
	Address				City	Province	Postal Code		
	1249 HYDE PARK ROAD				LONDON	ON	N6H5K6		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	790782858	9	15	23	34	15FEB 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
790782858		001	2		20230215 1142 1590 1232	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.					2695272			
	Address				City	Province	Postal Code		
	71146 BLUEWATER HWY				GRAND BEND	ON	NOM 1T0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	HENSALL DISTRICT CO-OPERATIVE, INCORPORATED								
	Address				City	Province	Postal Code		
	1 DAVIDSON DRIVE				HENSALL	ON	NOM 1X0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT								
Registering Agent	Registering Agent								
	LERNERS LLP								
	Address				City	Province	Postal Code		
	80 DUFFERIN AVE BOX 2335				LONDON	ON	N6A 4G4		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	790782858	9	15	24	34	15FEB 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
790782858		002	2		20230215 1142 1590 1232				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	RR2								
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
	BOX 1								
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	791708157	10	15	25	34	23MAR 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
791708157		01	001		20230323 1001 1462 1145	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	71146 BLUEWATER HWY				GRAND BEND	ON	N0M1T0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	OXFORD LEASEWAY LTD.								
	Address				City	Province	Postal Code		
	1249 HYDE PARK ROAD				LONDON	ON	N6H5K6		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X		X			X	95965		X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
	2022	DODGE			RAM 3500	3C63R3DL1NG409580			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	OXFORD LEASEWAY LTD.								
	Address				City	Province	Postal Code		
	1249 HYDE PARK ROAD				LONDON	ON	N6H5K6		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	793290267	11	15	26	34	15MAY 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
793290267		001	1		20230515 0900 1532 8056	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	71146 BLUEWATER HIGHWAY				GRAND BEND	ON	N0M1T0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	FORD CREDIT CANADA COMPANY								
	Address				City	Province	Postal Code		
	BOX 1800 RPO LAKESHORE WEST				OAKVILLE	ON	L6K 0J8		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X	X	0		X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
	2023	FORD			F150	1FTFW1RG6PFA66932			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	D + H LIMITED PARTNERSHIP								
	Address				City	Province	Postal Code		
	2 ROBERT SPECK PARKWAY, 15TH FLOOR				MISSISSAUGA	ON	L4Z 1H8		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	793351584	12	15	27	34	16MAY 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
793351584		01	001		20230516 1003 1462 5881	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	71146 BLUEWATER HWY				GRAND BEND	ON	N0M1T0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	OXFORD LEASEWAY LTD.								
	Address				City	Province	Postal Code		
	1249 HYDE PARK ROAD				LONDON	ON	N6H5K6		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X		X			X	55990		X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
	2020	GMC			SAVANA CARGO	1GTW7AFG5L1191350			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	OXFORD LEASEWAY LTD.								
	Address				City	Province	Postal Code		
	1249 HYDE PARK ROAD				LONDON	ON	N6H5K6		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	794762658	13	15	28	34	28JUN 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
794762658		01	001		20230628 1003 1462 5400	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	71146 BLUEWATER HWY				GRAND BEND	ON	N0M1T0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	OXFORD LEASEWAY LTD.								
	Address				City	Province	Postal Code		
	1249 HYDE PARK ROAD				LONDON	ON	N6H5K6		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X		X			X	108664		
Motor Vehicle Description	Year	Make			Model	V.I.N.			
	2023	DODGE			CHARGER	2C3CDXL98PH542302			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	OXFORD LEASEWAY LTD.								
	Address				City	Province	Postal Code		
	1249 HYDE PARK ROAD				LONDON	ON	N6H5K6		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	797107671	14	15	29	34	12SEP 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
797107671		001	3		20230912 1920 1590 0078	P PPSA	3		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	157 BASE LINE ROAD WEST				LONDON	ON	N6J 1V8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	71146 BLUEWATER HIGHWAY				GRAND BEND	ON	N0M 1T0		
Secured Party	Secured Party / Lien Claimant								
	BLUEBERRY RECORDS INC.								
	Address				City	Province	Postal Code		
	7601 JANE STREET				CONCORD	ON	L4K 1X2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	GENERAL ASSIGNMENTS. THIS IS A LATE RENEWAL OF OUR PRIOR REGISTRATION								
	PPSA REFERENCE FILE NUMBER 781436781.								
Registering Agent	Registering Agent								
	FRIEDMAN LAW PROFESSIONAL CORPORATION								
	Address				City	Province	Postal Code		
	800-150 FERRAND DRIVE				TORONTO	ON	M3C 3E5		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	797107671	14	15	30	34	12SEP 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
797107671		002	3		20230912 1920 1590 0078				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	51 MAIN STREET NORTH				EXETER	ON	N0M 1S3		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	227 VICTORIA ST.				CLINTON	ON	N0M 1L0		
Secured Party	Secured Party / Lien Claimant								
	STANART HOLDINGS INC.								
	Address				City	Province	Postal Code		
	26 IMPERIAL STREET				TORONTO	ON	M5P 1C2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	797107671	14	15	31	34	12SEP 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
797107671		003	3		20230912 1920 1590 0078				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	FALVO HOLDINGS LIMITED								
	Address				City	Province	Postal Code		
	323 DEERHURST DRIVE				BRAMPTON	ON	L6T 5K3		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	797107689	15	15	32	34	12SEP 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
797107689		001	3		20230912 1921 1590 0079	P PPSA	3		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	157 BASE LINE ROAD WEST				LONDON	ON	N6J 1V8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	71146 BLUEWATER HIGHWAY				GRAND BEND	ON	N0M 1T0		
Secured Party	Secured Party / Lien Claimant								
	BLUEBERRY RECORDS INC.								
	Address				City	Province	Postal Code		
	7601 JANE STREET				CONCORD	ON	L4K 1X2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	LATE RENEWAL OF OUR PRIOR REGISTRATION PPSA REFERENCE FILE NUMBER 781436808.								
Registering Agent	Registering Agent								
	FRIEDMAN LAW PROFESSIONAL CORPORATION								
	Address				City	Province	Postal Code		
	800-150 FERRAND DRIVE				TORONTO	ON	M3C 3E5		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	797107689	15	15	33	34	12SEP 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
797107689		002	3		20230912 1921 1590 0079				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	51 MAIN STREET NORTH				EXETER	ON	N0M 1S3		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Z. DESJARDINS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	227 VICTORIA ST.				CLINTON	ON	N0M 1L0		
Secured Party	Secured Party / Lien Claimant								
	STANART HOLDINGS INC.								
	Address				City	Province	Postal Code		
	26 IMPERIAL STREET				TORONTO	ON	M5P 1C2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	Z. DESJARDINS HOLDINGS INC.								
File Currency	12SEP 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	797107689	15	15	34	34	12SEP 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
797107689		003	3		20230912 1921 1590 0079				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	FALVO HOLDINGS LIMITED								
	Address				City	Province	Postal Code		
	323 DEERHURST DRIVE				BRAMPTON	ON	L6T 5K3		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

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Note: All pages have been returned.

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This is Exhibit N” referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

Schedule B

Electronically issued / Délivré par voie électronique : 31-Mar-2023
 Godefrich Superior Court of Justice / Cour supérieure de justice

Court File No./N° du dossier du greffe : CV-23-00000025-0000

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

yyyy mm dd Page 1 of 2

Properties

PIN 41176 - 0057 LT
Description LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON AS
 IN R308390; MUNICIPALITY OF CENTRAL HURON
Address 227 VICTORIA ST
 CLINTON

Consideration

Consideration \$322,357.20

Claimant(s)

Name G.R. WILFONG & SON LIMITED
Address for Service 1265 Doon Village Road, Kitchener, ON
 I am the lien claimant and the facts stated in the claim for lien are true.
 This document is not authorized under Power of Attorney by this party.

Statements

Name and Address of Owner Z. DESJARDINS HOLDINGS INC., 71146 Bluewater Hwy, R R 2, Grand Bend, Ontario, Canada, N0M 1T0
 Name and address of person to whom lien claimant supplied services or materials Z. DESJARDINS HOLDINGS INC., 71146 Bluewater
 Hwy, R R 2, Grand Bend, Ontario, Canada, N0M 1T0 Time within which services or materials were supplied from 2021/06/09 to
 2022/11/15 Short description of services or materials that have been supplied New petroleum upgrades including but not limited to, new
 tanks, lines and dispensers systems. Contract price or subcontract price 492471.61 Amount claimed as owing in respect of services or
 materials that have been supplied 322357.2

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien
 Covenant to Indemnify the Land Titles Assurance Fund See Schedules

Signed By

Christopher Michael Baillargeon 833 King St. E acting for Signed 2022 11 22
 Cambridge Applicant(s)
 N3H 3P1

Tel 519-653-5747

Fax 519-650-3323

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

Submitted By

LENNOX & PENNEY PROFESSIONAL CORPORATION 833 King St. E 2022 11 22
 Cambridge
 N3H 3P1

Tel 519-653-5747

Fax 519-650-3323

Fees/Taxes/Payment

Statutory Registration Fee \$69.00
Total Paid \$69.00

File Number

Claimant Client File Number : 22-775/227 VICTORIA

This is Exhibit "O" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

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

yyyy mm dd Page 1 of 2

Properties

PIN 41236 - 0117 LT
Description CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376,
 SAVE AND EXCEPT HWP1875 EXETER; MUNICIPALITY OF SOUTH HURON
Address 51 MAIN STREET NORTH
 EXETER

Consideration

Consideration \$416,837.69

Claimant(s)

Name G.R. WILFONG & SON LIMITED
Address for Service 1265 Doon Village Road, Kitchener, ON
 I am the lien claimant and the facts stated in the claim for lien are true.
 This document is not authorized under Power of Attorney by this party.

Statements

Name and Address of Owner Z. DESJARDINS HOLDINGS INC., 71146 Bluewater Hwy, R R 2, Grand Bend, Ontario, Canada, NOM 1T0
 Name and address of person to whom lien claimant supplied services or materials : Z. DESJARDINS HOLDINGS INC., 71146 Bluewater
 Hwy, R R 2, Grand Bend, Ontario, Canada, NOM 1T0 Time within which services or materials were supplied from 2021/06/09 to
 2022/11/15 Short description of services or materials that have been supplied New petroleum upgrades, including but not limited to, new
 tanks, lines and dispensers systems. Contract price or subcontract price 655320.17 Amount claimed as owing in respect of services or
 materials that have been supplied 416837.69

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien
 Covenant to Indemnify the Land Titles Assurance Fund See Schedules

Signed By

Christopher Michael Baillargeon 833 King St. E acting for Signed 2022 11 22
 Cambridge Applicant(s)
 N3H 3P1

Tel 519-653-5747

Fax 519-650-3323

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

Submitted By

LENNOX & PENNEY PROFESSIONAL CORPORATION 833 King St. E 2022 11 22
 Cambridge
 N3H 3P1

Tel 519-653-5747

Fax 519-650-3323


Fees/Taxes/Payment

Statutory Registration Fee \$69.00
Total Paid \$69.00

File Number

Claimant Client File Number : 22-775/51 MAIN

This is Exhibit “P” referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:

9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

Properties

PIN 41249 - 0027 LT
Description PT LT 7 CON E OF LAKE RD STEPHEN AS IN R331601; MUNICIPALITY OF SOUTH HURON
Address 71146 BLUEWATER HIGHWAY
 GRAND BEND

Consideration

Consideration \$299,763.05

Claimant(s)

Name G.R. WILFONG & SON LIMITED
Address for Service 1265 Doon Village Road, Kitchener, ON
 I am the lien claimant and the facts stated in the claim for lien are true.
 This document is not authorized under Power of Attorney by this party.

Statements

Name and Address of Owner Z. DESJARDINS HOLDINGS INC., 71146 Bluewater Hwy, R R 2, Grand Bend, Ontario, Canada, N0M 1T0
 Name and address of person to whom lien claimant supplied services or materials Z. DESJARDINS HOLDINGS INC., 71146 Bluewater Hwy, R R 2, Grand Bend, Ontario, Canada, N0M 1T0 Time within which services or materials were supplied from 2022/06/09 to 2022/11/15 Short description of services or materials that have been supplied New petroleum upgrades, including but not limited to, new tanks, lines and dispensers systems. Contract price or subcontract price 478082.5 Amount claimed as owing in respect of services or materials that have been supplied 299763.05

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien
 Covenant to Indemnify the Land Titles Assurance Fund See Schedules

Signed By

Christopher Michael Baillargeon 833 King St. E acting for Signed 2022 11 22
 Cambridge Applicant(s)
 N3H 3P1

Tel 519-653-5747

Fax 519-650-3323

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

Submitted By

LENNOX & PENNEY PROFESSIONAL CORPORATION 833 King St. E 2022 11 22
 Cambridge
 N3H 3P1

Tel 519-653-5747

Fax 519-650-3323

Fees/Taxes/Payment

Statutory Registration Fee \$69.00

Total Paid \$69.00

File Number

Claimant Client File Number : 22-775/ 71445 BLUEWATER

Land Titles Act

COVENANT TO INDEMNIFY THE LAND TITLES ASSURANCE FUND

(Section 55 of the Land Titles Act)

THIS AGREEMENT made the 22 day of November, 2022.

BETWEEN:

G.R. Wilfong & Son Limited
as Construction Lien Claimant

and

HER MAJESTY in right of Ontario

WHEREAS G.R. Wilfong & Son Limited supplied services and/or materials in the form of new petroleum upgrades – including but not limited to, new tanks, lines and dispensers systems to 71146 Bluewater Hwy., Grand Bend, Ontario N0M 1T0 on behalf of Z. Desjardins Holdings Inc. pursuant to a contract as between the parties

AND WHEREAS \$299,763.05 remains outstanding for the petroleum upgrades, owed by Z. Desjardins Holdings Inc. to G.R. Wilfong & Son Limited.



AND WHEREAS G.R. Wilfong & Son Limited is registering a construction lien, pursuant to the *Construction Act*, R.S.O. 1990, c. C.30.

THEREFORE the said G.R. Wilfong & Son Limited, in consideration of the Land Registrar agreeing to register the transmission application for the covenantors, the covenantors' heirs administrators, executors and assigns, covenant with Her Majesty in right of Ontario, represented by the Director of Titles, that the said G.R. Wilfong & Son Limited shall keep indemnified Her Majesty in right of Ontario, her successors and assigns, from and against all loss or diminution of the assurance fund under the *Land Titles Act* or established or continued under any other Act of the Province of Ontario, in respect of any valid claim that may hereafter be made on account of the circumstances set out above and also against all costs in respect thereof and will pay such amount as anyone claiming as aforesaid may be adjudged to be entitled to recover in respect of the premises and costs.

IT WITNESS WHEREOF have hereunto set their hands and seals.

SIGNED, SEALED AND DELIVERED

Sworn/Affirmed before me by remote commissioning in accordance with section 9(2) of the Commissioners for Taking Affidavits Act, and conditions set out in section 1 of O. Reg. 431/20, where the declarant/affiant was located in the City/Town of Kitchener, Regional Municipality/County of Waterloo and the commissioner was located in the City/Town of Cambridge, Regional Municipality/County of Waterloo on this 22 day of November, 2022.


Barry J. Wilfong, President
A Commissioner, etc.

This is Exhibit “Q” referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF the Construction Act, R.S.O. 1990, c. C.30

B E T W E E N:

(Court Seal)

G.R. WILFONG & SON LIMITED

Plaintiff

and

Z. DESJARDINS HOLDINGS INC., BLUEBERRY RECORDS INC.,
STANART HOLDINGS INC., FALVO HOLDINGS INC. and 1112396
ONTARIO LIMITED

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff.
The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

~~If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.~~

~~Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.~~

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date _____ Issued by _____
Local Registrar

Address of court office: 1 Court House Square
Goderich ON N7A 4C6

TO: Z. DESJARDINS HOLDINGS INC.
71146 Bluewater Hwy, RR 2
Grand Bend ON N0M 1T0

AND TO: Blueberry Records Inc.
7601 Jane Street
Concord Ontario L4K 1X2

AND TO: Stanart Holdings Inc.
26 Imperial Street
Toronto ON M5P 1C2

AND TO: Falvo Holdings Inc.
323 Deerhurst Drive
Brampton ON L6T 5K3

AND TO: 1112396 Ontario Limited
1325 Eglinton Ave. E., Suite 204
Mississauga ON L4W 4L9

CLAIM

1. The Plaintiff claims:

- (a) Judgment against the Defendant Z. Desjardins Holdings Inc. in the amount of five hundred seven thousand nine hundred thirty-five dollars and twenty-five cents (\$507,935.25) plus HST;
- (b) a declaration that the Plaintiff is entitled to a lien in the amount of \$140,223.35 plus HST, plus costs, on the lands and premises identified in Schedule "A" hereto (the "Lands and Premises");
- (c) that, in default of the payment \$140,223.35 plus HST, plus costs, all the estate and interest of the Defendant Z. Desjardins Holdings Inc. in the Lands and Premises be sold and the proceeds applied toward payment of the Plaintiff's claim for lien as aforesaid, pursuant to the provisions of the *Construction Act*, R.S.O. 1990, Chapter C. 30, and amendments thereto;
- (d) a declaration that the Plaintiff claim for lien has full priority, or, in the alternative, partial priority, over the interests of the Defendants Blueberry Records Inc., Stanart Holdings Inc, Falvo Holdings Limited, and 1112396 Ontario Limited in the Lands and Premises;
- (e) for the purposes aforesaid and all other purposes, that all proper directions be given and accounts taken;
- (f) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (g) postjudgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (h) the costs of this proceeding, plus all applicable taxes; and
- (i) Such further and other Relief as to this Honourable Court may seem just.

The Parties

2. The Plaintiff G.R. Wilfong & Son Limited, is a corporation pursuant to the laws of the Province of Ontario, which carries on business as a contractor, with its head office in the Region of Waterloo, in the Province of Ontario.

3. The Defendant, Z. Desjardins Holdings Inc., is a corporation pursuant to the laws of the Province of Ontario with its head office in Grand Bend, Ontario. Z. Desjardins Holdings Inc. is

the registered owner and "owner" for the purpose of the *Construction Act* of the Lands and Premises (the "Owner").

4. The Defendant Blueberry Records Inc. is a corporation pursuant to the laws of the Province of Ontario and a mortgagee of the Lands and Premises.

5. The Defendant Stanart Holdings Inc. is a corporation pursuant to the laws of the Province of Ontario and a mortgagee of the Lands and Premises.

6. The Defendant Falvo Holdings is a corporation pursuant to the laws of the Province of Ontario and a mortgagee of the Lands and Premises.

7. 1112396 Ontario Limited ("111 Ltd.") is a corporation pursuant to the laws of the Province of Ontario and a mortgagee of the Lands and Premises.

The Contract and the Project

8. The Plaintiff entered into a contract with the Owner on or about May 4th, 2021, to supply and install new petroleum upgrades, including but not limited to tanks, lines, and dispenser systems (the "Contract") at the Lands and Premises (the "Project").

9. The Contract Price was \$740,511.79 including HST.

Breach of Contract and Claim for Damages

10. The Plaintiff issued an invoice to the Owner in respect of a deposit in the amount of \$100,000 (the "Deposit").

11. The Owner has refused or neglected to pay the Deposit.

12. On or about March 31, 2023 the Plaintiff terminated the Contract.

13. As a result of the breach of Contract by the Owner the Contractor has suffered and will suffer in the future, damages in the amount of **\$507,935.25** plus HST, the particulars of which are as follows:

Item	Costs Incurred	Loss of Profit
Tank Removal		\$2,497.50
Removal of Piping/Kiosk/Misc		\$1,222.00
Tank	\$100,690.00	\$15,103.50
Dispensers	\$121,933.35	\$18,290.00
Misc Job Piping Equipment	\$162,951.49	\$35,596.71
Labour		\$24,650.70
Misc Profit		\$25,000.00
Total	\$385,574.84	\$122,360.41

The Plaintiff's Lien

14. Between June 9, 2022, and November 15, 2022, the Plaintiff supplied services and materials to the Lands and Premises pursuant to the Contract, including the delivery of the dispensers to the site.

15. By reason of supplying the services and materials to the Lands and Premises as aforesaid, the Plaintiff is entitled to a lien upon the estate or interests of the Owner in the Lands and

Premises for the sum of \$140,223.35, together with the costs of this proceeding, pursuant to the provisions of the *Construction Act*, as amended.

16. On November 22, 2022, the Plaintiff caused to register electronically a Claim for Lien as Instrument No. HC171620 against title of the Lands and Premises in the Land Titles Office for the County of Huron, a copy of which is attached herewith and marked as **Schedule "B"**.

Priority Over the Interest of the Mortgagees

17. By Instrument HC165632 registered on March 29, 2022, the Lands and Premises were mortgaged in favour of the Defendants Blueberry Records Inc., Stanart Holdings Inc. and Falvo Holdings Limited for the sum of \$1,350,000 (the "**BSF Mortgage**").

18. By Instrument HC142529 registered on August 9, 2019, the Lands and Premises were mortgaged in favour of **111 Ltd.** or the sum of \$1,700,000 (the "**111 Ltd. Mortgage**").

19. The BSF Mortgage and the 111 Ltd. Mortgage are collectively referred to below as the Mortgages.

20. The Defendants Blueberry Records Inc., Stanart Holdings Inc, Falvo Holdings Limited, and 1112396 Ontario Limited are collectively referred to as the "Mortgagees".

21. The Plaintiff alleges that the Mortgages, or any of them, were taken with the intention to secure the financing of the improvement upon the Lands and Premises, or, alternatively, were taken with the intention of repaying a mortgage intended to secure the financing of the improvement, and claims priority over the said Mortgages to the extent of any deficiency in the holdbacks required to be retained by the Owner.

22. The Plaintiff alleges that the Mortgages were registered after the first lien arose on the Project and claims priority over the said Mortgages to the extent of any deficiency in the holdbacks required to be retained by the Owner.
23. The Plaintiff states that its lien has priority over the Mortgages to the extent of the unadvanced portions thereof.
24. The Plaintiff claims that the priority of the Mortgages over the Plaintiff's Claim for Lien for amounts advanced before the first lien arose is limited to the lesser of the actual value of the Lands and Premises at the time when the lien first arose and the total amounts advanced before the first lien arose.
25. The Plaintiff claims priority over the Mortgages to the extent of any:
- (a) Advances made after the Mortgagees, or any of them, had received written notice of lien; and
 - (b) Advances made after a claim for lien was preserved against title the Lands and Premises.
26. The Plaintiff pleads and relies upon section 78 of the *Construction Act, supra*.

March 31, 2023

MADORIN, SNYDER LLP
Barristers & Solicitors
P.O. Box 1234
55 King Street West, 6th Floor
Kitchener, ON N2G 4G9

Edward J. Dreyer LSO #45001K
edreyer@kw-law.com
Tel: (519) 744-4491
Fax: (519) 741-8060

Lawyers for the Plaintiff

SCHEDULE 'A'

To the claim for lien of:

G.R. WILFONG & SON LIMITED

Description of the Premises:

CONSOLIDATION OF VARIOUS PROPERTIES;
LOTS 795, 796, 797 AND 798 PL 376, SAVE AND
EXCEPT HWP1875 EXETER; MUNICIPALITY OF
SOUTH HURON

PIN 41236-0117 (LT)

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

yyyy mm dd Page 1 of 2

Properties

PIN 41236 - 0117 LT
Description CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376,
 SAVE AND EXCEPT HWP1875 EXETER; MUNICIPALITY OF SOUTH HURON
Address 51 MAIN STREET NORTH
 EXETER

Consideration

Consideration \$416,837.69

Claimant(s)

Name G.R. WILFONG & SON LIMITED
Address for Service 1265 Doon Village Road, Kitchener, ON
 I am the lien claimant and the facts stated in the claim for lien are true.
 This document is not authorized under Power of Attorney by this party.

Statements

Name and Address of Owner Z. DESJARDINS HOLDINGS INC., 71146 Bluewater Hwy, R R 2, Grand Bend, Ontario, Canada, NOM 1T0
 Name and address of person to whom lien claimant supplied services or materials : Z. DESJARDINS HOLDINGS INC., 71146 Bluewater Hwy, R R 2, Grand Bend, Ontario, Canada, NOM 1T0 Time within which services or materials were supplied from 2021/06/09 to 2022/11/15 Short description of services or materials that have been supplied New petroleum upgrades, including but not limited to, new tanks, lines and dispensers systems. Contract price or subcontract price 655320.17 Amount claimed as owing in respect of services or materials that have been supplied 416837.69

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien Covenant to Indemnify the Land Titles Assurance Fund See Schedules

Signed By

Christopher Michael Baillargeon 833 King St. E acting for Signed 2022 11 22
 Cambridge Applicant(s)
 N3H 3P1

Tel 519-653-5747

Fax 519-650-3323

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

Submitted By

LENNOX & PENNEY PROFESSIONAL CORPORATION 833 King St. E 2022 11 22
 Cambridge
 N3H 3P1

Tel 519-653-5747

Fax 519-650-3323

Fees/Taxes/Payment

Statutory Registration Fee \$69.00
Total Paid \$69.00

File Number

Claimant Client File Number : 22-775/51 MAIN

Court File No./N° du dossier du greffe : CV-23-00000026-0000

G.R. WILFONG & SON LIMITED
Plaintiff

-and- Z. DESJARDINS HOLDINGS INC. et al.
Defendants

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF the Construction Act, R.S.O. 1990, c. C.30
**PROCEEDING COMMENCED AT
GODERICH**

STATEMENT OF CLAIM

MADORIN, SNYDER LLP
Barristers & Solicitors
P.O. Box 1234
55 King Street West, 6th Floor
Kitchener, ON N2G 4G9
(519) 744-4491

Edward J. Dreyer LSO #45001K
edreyer@kw-law.com
Lawyers for the Plaintiff



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF the Construction Act, R.S.O. 1990, c. C.30

B E T W E E N:

(Court Seal)

G.R. WILFONG & SON LIMITED

Plaintiff

and

Z. DESJARDINS HOLDINGS INC., BLUEBERRY RECORDS INC.,
STANART HOLDINGS INC., FALVO HOLDINGS LIMITED, 1112396
ONTARIO LIMITED and 1917171 ONTARIO INC.

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff.
The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

~~If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.~~

~~Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.~~

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date _____ Issued by _____
Local Registrar

Address of court office: 1 Court House Square
Goderich ON N7A 4C6

TO: Z. Desjardins Holdings Inc.
71146 Bluewater Hwy, RR 2
Grand Bend ON N0M 1T0

AND TO: Blueberry Records Inc.
7601 Jane Street
Concord ON L4K 1X2

AND TO: Stanart Holdings Inc.
26 Imperial Street
Toronto ON M5P 1C2

AND TO: Falvo Holdings Limited
323 Deerhurst Drive
Brampton ON L6T 5K3

AND TO: 1112396 Ontario Limited
1325 Eglinton Ave E - Suite 204
Mississauga ON L4W 4L9

AND TO: 1917171 Ontario Inc.
238 Melissa Lane
Tiny ON L9M 0T8

CLAIM

1. The Plaintiff claims:

- (a) Judgment against the Defendant Z. Desjardins Holdings Inc. in the amount of three hundred forty-three thousand eighty-one dollars and seventy cents (\$343,081.7) plus HST;
- (b) a declaration that the Plaintiff is entitled to a lien in the amount of \$80,472.80 plus HST, plus costs, on the lands and premises identified in Schedule "A" hereto (the "Lands and Premises");
- (c) that, in default of the payment \$80,472.80 plus HST, plus costs, all the estate and interest of the Defendant Z. Desjardins Holdings Inc. in the Lands and Premises be sold and the proceeds applied toward payment of the Plaintiff's claim for lien as aforesaid, pursuant to the provisions of the *Construction Act*, R.S.O. 1990, Chapter C. 30, and amendments thereto;
- (d) a declaration that the Plaintiff claim for lien has full priority, or, in the alternative, partial priority, over the interests of the Defendants Blueberry Records Inc., Stanart Holdings Inc, Falvo Holdings Limited, 1112396 Ontario Limited and 1917171 Ontario Inc. in the Lands and Premises;
- (e) for the purposes aforesaid and all other purposes, that all proper directions be given and accounts taken;
- (f) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (g) postjudgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (h) the costs of this proceeding, plus all applicable taxes; and
- (i) Such further and other Relief as to this Honourable Court may seem just.

The Parties

2. The Plaintiff G.R. Wilfong & Son Limited, is a corporation pursuant to the laws of the Province of Ontario, which carries on business as a contractor, with its head office in the Region of Waterloo, in the Province of Ontario.

3. The Defendant, Z. Desjardins Holdings Inc., is a corporation pursuant to the laws of the Province of Ontario with its head office in Grand Bend, Ontario. Z. Desjardins Holdings Inc. is

the registered owner and "owner" for the purpose of the *Construction Act* of the Lands and Premises (the "Owner").

4. The Defendant Blueberry Records Inc. is a corporation pursuant to the laws of the Province of Ontario and a mortgagee of the Lands and Premises.

5. The Defendant Stanart Holdings Inc. is a corporation pursuant to the laws of the Province of Ontario and a mortgagee of the Lands and Premises.

6. The Defendant Falvo Holdings is a corporation pursuant to the laws of the Province of Ontario and a mortgagee of the Lands and Premises.

7. 1112396 Ontario Limited ("111 Ltd.") is a corporation pursuant to the laws of the Province of Ontario and a mortgagee of the Lands and Premises.

8. 1917171 Ontario Inc. ("191 Inc.") is a corporation pursuant to the laws of the Province of Ontario and a mortgagee of the Lands and Premises.

The Contract and the Project

9. The Plaintiff entered into a contract with the Owner on or about May 4th, 2021, to supply and install new petroleum upgrades, including but not limited to tanks, lines, and dispenser systems (the "Contract") at the Lands and Premises (the "Project").

10. The Contract Price was \$556,492.91 including HST.

Breach of Contract and Claim for Damages

11. The Plaintiff issued an invoice to the Owner in respect of a deposit in the amount of \$100,000 (the "Deposit").
12. The Owner has refused or neglected to pay the Deposit.
13. On or about March 31, 2023 the Plaintiff terminated the Contract.
14. As a result of the breach of Contract by the Owner the Contractor has suffered and will suffer in the future, damages in the amount of \$343,081.7 plus HST, the particulars of which are as follows:

Item	Costs Incurred	Loss of Profit
Tank Removal		\$2,557.50
Removal of Piping/Kiosk/Misc		\$901.66
Tank	\$100,690.00	\$15,103.50
Dispensers	\$69,976.35	\$10,496.45
Misc Job Piping Equipment	\$76,090.05	\$24,990.69
Labour		\$17,275.50
Misc Profit		\$25,000.00
Total	\$246,756.40	\$96,325.30

The Plaintiff's Lien

15. Between June 9, 2022, and November 15, 2022, the Plaintiff supplied services and materials to the Lands and Premises pursuant to the Contract, including the delivery of the dispensers to the site.

16. By reason of supplying the services and materials to the Lands and Premises as aforesaid, the Plaintiff is entitled to a lien upon the estate or interests of the Owner in the Lands and Premises for the sum of \$80,472.8, together with the costs of this proceeding, pursuant to the provisions of the *Construction Act*, as amended.

17. On November 22, 2022, the Plaintiff caused to register electronically a Claim for Lien as Instrument No. HC171619 against title of the Lands and Premises in the Land Titles Office for Huron County, a copy of which is attached herewith and marked as **Schedule "B"**.

Priority Over the Interest of the Mortgagees

18. By Instrument HC165632 registered on March 29, 2022, the Lands and Premises were mortgaged in favour of the Defendants Blueberry Records Inc., Stanart Holdings Inc. and Falvo Holdings Limited for the sum of \$1,350,000 (the "**BSF Mortgage**").

19. By Instrument HC144417 registered on December 11, 2019,, the Lands and Premises were mortgaged in favour of **111 Ltd.** or the sum of \$1,175,000 (the "**111 Ltd. Mortgage**").

20. By Instrument HC158108 registered on July 2, 2021, the Lands and Premises were mortgaged in favour of the Defendant 191 Inc. for the sum of \$750,000.00 (the "**191 Inc. Mortgage**").

21. The BSF Mortgage, the 111 Ltd. Mortgage and the 191 Inc. Mortgage are collectively referred to below as the Mortgages.
22. The Defendants Blueberry Records Inc., Stanart Holdings Inc, Falvo Holdings Limited, 1112396 Ontario Limited and 1917171 Ontario Inc. are collectively referred to as the "Mortgagees".
23. The Plaintiff alleges that the Mortgages, or any of them, were taken with the intention to secure the financing of the improvement upon the Lands and Premises, or, alternatively, were taken with the intention of repaying a mortgage intended to secure the financing of the improvement, and claims priority over the said Mortgages to the extent of any deficiency in the holdbacks required to be retained by the Owner.
24. The Plaintiff alleges that the Mortgages were registered after the first lien arose on the Project and claims priority over the said Mortgages to the extent of any deficiency in the holdbacks required to be retained by the Owner.
25. The Plaintiff states that its lien has priority over the Mortgages to the extent of the unadvanced portions thereof.
26. The Plaintiff claims that the priority of the Mortgages over the Plaintiff's Claim for Lien for amounts advanced before the first lien arose is limited to the lesser of the actual value of the Lands and Premises at the time when the lien first arose and the total amounts advanced before the first lien arose.
27. The Plaintiff claims priority over the Mortgages to the extent of any:

8

- (a) Advances made after the Mortgagees, or any of them, had received written notice of lien; and
- (b) Advances made after a claim for lien was preserved against title the Lands and Premises.

28. The Plaintiff pleads and relies upon section 78 of the *Construction Act, supra*.

March 31, 2023

MADORIN, SNYDER LLP
Barristers & Solicitors
P.O. Box 1234
55 King Street West, 6th Floor
Kitchener, ON N2G 4G9

Edward J. Dreyer LSO #45001K
edreyer@kw-law.com
Tel: (519) 744-4491
Fax: (519) 741-8060

Lawyers for the Plaintiff

RCP-E 14A (June 9, 2014)

SCHEDULE 'A'

To the claim for lien of:

G.R. WILFONG & SON LIMITED

Description of the Premises:

LT 1221 PL 339 CLINTON; LT 1222 PL 339
CLINTON; PT LT 1223 PL 339 CLINTON AS IN
R308390; MUNICIPALITY OF CENTRAL HURON

PIN 41176-0057 (LT)

Schedule B

Electronically issued / Délivré par voie électronique : 31-Mar-2023
 (Général Superior Court of Justice / Cour supérieure de justice)

Court File No./N° du dossier du greffe : CV-23-00000025-0000

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

yyyy mm dd Page 1 of 2

Properties

PIN 41176 - 0057 LT
Description LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON AS
 IN R308390; MUNICIPALITY OF CENTRAL HURON
Address 227 VICTORIA ST
 CLINTON

Consideration

Consideration \$322,357.20

Claimant(s)

Name G.R. WILFONG & SON LIMITED
Address for Service 1265 Doon Village Road, Kitchener, ON
 I am the lien claimant and the facts stated in the claim for lien are true.
 This document is not authorized under Power of Attorney by this party.

Statements

Name and Address of Owner Z. DESJARDINS HOLDINGS INC., 71146 Bluewater Hwy, R R 2, Grand Bend, Ontario, Canada, NOM 1T0
 Name and address of person to whom lien claimant supplied services or materials Z. DESJARDINS HOLDINGS INC., 71146 Bluewater
 Hwy, R R 2, Grand Bend, Ontario, Canada, NOM 1T0 Time within which services or materials were supplied from 2021/06/09 to
 2022/11/15 Short description of services or materials that have been supplied New petroleum upgrades including but not limited to, new
 tanks, lines and dispensers systems. Contract price or subcontract price 492471.61 Amount claimed as owing in respect of services or
 materials that have been supplied 322357.2

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien
 Covenant to Indemnify the Land Titles Assurance Fund See Schedules

Signed By

Christopher Michael Baillargeon 833 King St. E acting for Signed 2022 11 22
 Cambridge Applicant(s)
 N3H 3P1

Tel 519-653-5747

Fax 519-650-3323

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

Submitted By

LENNOX & PENNEY PROFESSIONAL CORPORATION 833 King St. E 2022 11 22
 Cambridge
 N3H 3P1

Tel 519-653-5747

Fax 519-650-3323

Fees/Taxes/Payment

Statutory Registration Fee \$69.00
Total Paid \$69.00

File Number

Claimant Client File Number : 22-775/227 VICTORIA

Court File No./N° du dossier du greffe : CV-23-00000025-0000

G.R. WILFONG & SON LIMITED
Plaintiff

-and- Z. DESJARDINS HOLDINGS INC. et al.
Defendants

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF the Construction Act, R.S.O. 1990, c. C30
**PROCEEDING COMMENCED AT
GODERICH**

STATEMENT OF CLAIM

MADORIN, SNYDER LLP
Barristers & Solicitors
P.O. Box 1234
55 King Street West, 6th Floor
Kitchener, ON N2G 4G9
(519) 744-4491

Edward J. Dreyer LSO #45001K
cdreyer@kw-law.com

Lawyers for the Plaintiff

RCP-F-4C (September 1, 2020)

This is Exhibit "R" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

Delivered by Email
Confidential

April 13th , 2023

Z. Desjardins Holdings Inc.
157 Baseline Road
London ON N6S 1V8

Attn: Zach Desjardins

Re: Extension of the Blueberry Records Inc et al 1st mortgage to Z. Desjardins Holdings Inc. (the "Borrower")

Dear Mr. Desjardins,

Further to your request for an extension of the maturity date of the above 1st Mortgage, which was due on April 1, 2023 and which is technically in default, the Lender has approved an extension of the above referenced Mortgage in accordance with the terms of this extension agreement. (the "Agreement").

This Agreement is available for acceptance by Borrower and the Guarantor on or before 5:00pm on April 13, 2023. The mortgage shall be open for repayment at any time during the extension period.

The followings are the terms of this Agreement:

- a) This letter will constitute a mortgage extension agreement.
- b) The Mortgage Interest Rate shall from the Maturity Date of April 1st, 2023 until the mortgage is repaid in full be at 16% per annum.
- c) You will provide payment of the extension fee of 1% to the Lender and 1% to the Brokerage (the "Extension Fee") and legal fees of \$2,500.00 plus HST.
- d) You will provide payment of interest in the amount of \$18,000.00 being the payment of interest due for the month of April (April 1 to May 1, 2023).
- e) If the mortgage is not paid and discharged on or before May 1st, 2023, the Lender will be entitled to a bonus of \$20,000.00 to be paid at time of payout and discharge of the mortgage.
- f) You will provide satisfactory confirmation of the new financing and funding to complete the payout of our mortgage as soon as possible.
- g) You will provide satisfactory confirmation that the existing 1st Mortgage for the 51 Main Street, Exeter and 227 Victoria Street, Clinton South Huron properties are current and in good standing together with a recent property tax statement.
- h) You will pay the full balance of the Mortgage, including any outstanding Mortgage Interest, Extension Fees, Legal and Administrative fees and/or expenses related to the Mortgage on or before May 1, 2023 (the legal costs related to the discharge of the mortgage shall not exceed \$1,250.00 plus disbursements and HST), and the mortgage will be discharged by our solicitor.
- i) The undersigned, Zachary Desjardins, the Guarantor of the mortgage hereby acknowledges that his guarantee continues in full force and effect.

The Mortgage and collateral security, including the guarantee of the Guarantor, shall be and remain in full force and effect in accordance with its terms and hereby is ratified and confirmed, notwithstanding the terms of this Agreement and the extension of the maturity date. The Borrower and the Guarantor ratify and reaffirm the continuing effectiveness of all promissory notes, guarantee, security agreements, mortgages, deeds of trust, and all other instruments, documents and agreements entered into in connection with the Agreement.

By execution of a counterpart of this letter, the Borrower and the Guarantor further represent and warrant that the representations and warranties contained in the security documents previously delivered are true and correct as of the date hereof, and that, no event of default has occurred and is continuing under the Mortgage, or any other document, instrument or agreement entered in connection therewith except as set forth herein.

Sincerely,

STANART HOLDINGS INC., BLUEBERRY RECORDS INC.
AND FALVO HOLDINGS LIMITED

By: Their solicitor, Friedman Law Professional Corporation

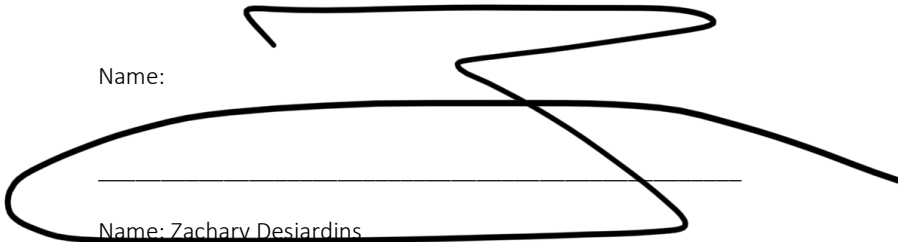
Per: _____

Barry M. Polisuk, Senior Counsel

Signed, Acknowledged, and accepted on April , 2023

By: Z. Desjardins Holdings Inc.

Name:



Name: Zachary Desjardins

I have authority to bind the corporation.

Guarantor: _____



Zachary Desjardins

Witness:

This is Exhibit "S" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

FRIEDMANS LAW FIRM

William Friedman
B.A., B.C.L., LLB
Barry M. Polisuk
B.A., LL.B., LL.L
Mark A. Russell
B.A., J.D.
Olohirere Musa
B.A., J.D.
Shabnam Riazi
B.A., J.D.

Judy Hamilton
B.A., B.Ed., LLB
Patrick Bakos
B.A., J.D.
Michael W. Ruso
B.A. (Hons), J.D.
Khaled Gheddai
B.A. (Hons), M.A., J.D.

Bryan C. Friedman
B.F.A., J.D.
Stephen C. Nadler
B.A., J.D.
Shida Azari
B.A., LL.B
Victor J. Wong
B.A., M.A., J.D.

Barry Polisuk
Tel: 416-496-3340
E-mail: bp@friedmans.ca

Law Clerk: Thomas Wang
Tel: 416-496-3340 ext 151
Email: tw@friedmans.ca

Privileged and Confidential

Delivered via email

April 28, 2023

Z. DESJARDINS HOLDINGS INC.
157 Base Line Road
West London, Ontario N6J 1V8

Attention: Zachary Desjardins

And

Mr. Zachary Desjardins
396 Albert St., BX 96
Exeter, ON N0M 1S6

Dear Sir:

Re: Blueberry Records Inc., Stanart Holdings Inc. and Falvo Holdings Limited (collectively, the “**Lender**”) loan to Z. Desjardins Holdings Inc. (the “**Borrower**”) and guaranteed by Zachary Desjardins (the “**Guarantor**”) secured by a blanket charge/mortgage (the “**Charge**”) including a first charge/mortgage in favour of the Lender against the property municipally described as 71146 Bluewater Hwy, Grand Bend, a second charge/mortgage in favour of the Lender against the property municipally described as 51 Main Street, Exeter and a third charge/mortgage in favour of the Lender against the property municipally described as 227 Victoria Street, Clinton pursuant to a Mortgage Commitment dated March 16, 2022 (the “**Commitment**”) as amended from time to time. – Our file number 220129

We are the solicitors for the Lender. You are indebted to our client as April 30, 2023 the total amount of \$1,403,430.00, calculation of which as follows:

Indebtedness secured by the security is \$1,350,000.00, plus interest thereon from April 1, 2023 at 16% per annum until payment in full is received by the Secured Creditors plus the Secured Creditor’s legal fees of \$3,500.00 + HST of \$455.00, plus the extension fee of 1% to the Lender of \$13,500.00 and 1% to the Brokerage of \$13,500.00 (the “**Extension Fee**”) and legal fees of \$2,500.00 plus HST of \$325.00 plus Discharge Preparation Fee of \$450.00 and Administration Fee of \$1,200.00.

If the mortgage is not paid and discharged on or before May 1st, 2023, the Lender will be entitled to a bonus of \$20,000.00 to be paid at time of payout and discharge of the mortgage.

Please accept this letter as a formal demand for payment of the amount owing to our clients as set forth herein. Payment is required on or before 10 days from the date of this letter, failing which our client intends to enforce its security against the Borrower and Guarantor. A wire or certified cheque is to be made payable to and delivered to Friedman Law Professional Corporation. We enclose Notice of Intention to Enforce Security pursuant to the Bankruptcy and Insolvency Act (Canada). Failing payment of the amounts outstanding, further enforcement measures may be made without further notice to you.

Govern yourself accordingly.

Yours very truly,
Friedman Law Professional Corporation

A handwritten signature in black ink, appearing to be 'B. Polisuk', written over a horizontal line.

Barry M. Polisuk, Senior Counsel
BMP:tw
Encl.

FORM 115
Notice of Intention to Enforce
Security
(Subsection 244(1))

TO: Z. DESJARDINS HOLDINGS INC. (the “Borrower”)

AND TO: Zachary Desjardins (the “Guarantor”)

AND TO: BLUEBERRY RECORDS INC., STANART HOLDINGS INC., and FALVO HOLDINGS LIMITED (collectively the “Secured Creditors”)

TAKE NOTICE THAT:

1. The Secured Creditors intend to enforce their security on the property of the insolvent person described below:

The Real Property legally described as:

- a) PT LT 7 CON E OF LAKE RD STEPHEN AS IN R331601; MUNICIPALITY OF SOUTH HURON in PIN 41249-0027 (LT);
- b) LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON ASIN R308390; MUNICIPALITY OF CENTRAL HURON in PIN 41176-0057 (LT);
- c) CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376,SAVE AND EXCEPT HWP1875 EXETER; MUNICIPALITY OF SOUTH HURON in PIN 41236-0117 (LT)

(collectively, the “**Real Property**”)

All rents of the Real Property;

All property, undertaking and assets, including all equipment, fixtures, improvements, inventory, customer lists, goodwill and other intangible property of the Borrower;

All account receivables of the Borrower.

2. The Security that is to be enforced is as follows:

- (a) A Mortgage registered as Instrument Number HC165632 on March 29, 2022
- (b) Guarantee and Postponement of Claim of the Guarantor dated March 25, 2022
- (c) General Security Agreement dated March 25, 2022 from the Borrower
- (d) Notice of which Security Agreement was registered under the Personal Property Security Agreement on March 25, 2022 as file reference number 781436781, 781436808 and 781436835.

3. The total amount of indebtedness on April 30, 2023 will be \$1,403,430.00, calculation of which as follows:

Indebtedness secured by the security is \$1,350,000.00\$1,350,000.00, plus interest thereon from April 1, 2023 at 16% per annum until payment in full is received by the Secured Creditors plus the Secured Creditor's legal fees of \$3,500.00 + HST of \$455.00, plus the extension fee of 1% to the Lender of \$13,500.00 and 1% to the Brokerage of \$13,500.00 (the "Extension Fee") and legal fees of \$2,500.00 plus HST of \$325.00 plus Discharge Preparation Fee of \$450.00 and Administration Fee of \$1,200.00.

If the mortgage is not paid and discharged on or before May 1st, 2023, the Lender will be entitled to a bonus of \$20,000.00 to be paid at time of payout and discharge of the mortgage.

4. The Secured Creditors will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, Ontario this 28th day of April, 2023.

**BLUEBERRY RECORDS INC., STANART
HOLDINGS INC., and FALVO HOLDINGS
LIMITED, by their solicitors, Friedman Law
Professional Corporation**

Per:



Barry M. Polisuk, Senior Counsel

This is Exhibit "T" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

**NOTICE OF INTENTION TO SELL – SECTION 63(4)
OF THE ONTARIO PERSONAL PROPERTY SECURITY ACT**

TAKE NOTICE that default has been made in the payment of monies secured under a Security Agreement dated the 24th of March 25, 2022 granted by Z. Desjardins Holdings Inc., 157 Base Line Road West, London, Ontario to the secured parties (the “**Security Parties**”) described in Schedule “A” attached hereto, in respect of which a financing statement was filed on the 25th day of March, 2022 as No. 20220325163515904527.

THE SECURITY AGREEMENT creates or provides for a security interest in all inventory, equipment, accounts receivable and motor vehicle, the “Collateral”, located at 71146 Bluewater Highway, Grand Bend, Ontario, 51 Main Street, Exeter, Ontario and 227 Victoria Street, Clinton, Ontario, together with all proceeds of disposition of such collateral.

THE AMOUNT REQUIRED to satisfy the obligations secure by the security pursuant to Section 63(5)(b) of the Personal Property Security Act is made up as follows:

1. Principal:	\$1,350,000.00
Interest to and including May 16, 2023:	\$17,013.70
Fees:	\$6,950.00
Legal Fees:	\$10,170.00
Sub-total:	<u>\$1,384,133.70</u>
2. Estimated amount of expenses of retaking, holding, repairing, processing, preparing for disposing of the Collateral is:	<u>\$35,000.00</u>
TOTAL:	<u>\$1,419,133.70</u>

WE HEREBY GIVE you notice that you may redeem the Collateral upon your paying the principal and interest, the actual expenses incurred to the date of payment, together with additional interest accrued from the date hereof on the principal and the amount of actual expenses incurred at 10% per annum on or before the 26th day of June, 2023.

TAKE NOTICE that if the amounts referred to in the above paragraphs are not paid to the Security Parties on or before the 26th day of June, 2023, the Security Parties intend to dispose of the Collateral by a private sale thereafter and you may be liable for any deficiency.

THIS NOTICE is given to you as you may have an interest in the Collateral.

Dated at Toronto, Ontario this 19th day of May, 2023.

**BLUEBERRY RECORDS INC., STANART
HOLDINGS INC., and FALVO HOLDINGS
LIMITED, by their solicitors, Friedman Law
Professional Corporation**

Per: DocuSigned by:
Barry M. Polisuk
A94DB684CB954B1...
Barry M. Polisuk, Senior Counsel

To: All these parties set forth in Schedule “B” attached hereto.

SCHEDULE "A"

Security Parties

- **BLUEBERRY RECORDS INC.**
7601 Jane Street Concord, Ontario L4K 1X2
- **STANART HOLDINGS INC.**
26 Imperial Street Toronto, Ontario M5P 1C2
- **FALVO HOLDINGS LIMITED**
323 Deerhurst Drive Brampton, Ontario L6T 5K3

SCHEDULE "B"

TO: Z. DESJARDINS HOLDINGS INC.
157 Base Line Road West London, Ontario N6J 1V8

AND TO: Desjardins, Zachary
396 Albert ST BX 96, Exeter ON N0M 1S6

AND TO: 1112396 ONTARIO LIMITED
1325 Eglinton Ave East Mississauga, Ontario L4W 4L9

AND TO: HENSALL DISTRICT CO-OPERATIVE, INCORPORATED
1 Davidson Drive, Box 1, Hensall, ON N0M 1X0

AND TO: EQUIREX, A DIVISION OF BENNINGTON FINANCIAL CORP.
1465 North Service Rd. E., Suite 101, Oakville, ON L6H 1A7

AND TO: ROYAL BANK OF CANADA
36 York Mills Road, 4th Floor, Toronto, ON M2P 0A4

AND TO: OXFORD LEASEWAY LTD.
1249 Hyde Park Road, London, ON N6H 5K6

AND TO: FORD CREDIT CANADA LEASING, DIVISION OF CANADIAN ROAD LEASING COMPANY
Box 1800 RPO Lakeshore West, Oakville, ON L6K 0J8

AND TO: FORD CREDIT CANADA COMPANY
Box 1800 RPO Lakeshore West, Oakville, ON L6K 0J8

**BY REGISTERED AND ORDINARY POST
NOTICE OF SALE UNDER MORTGAGE**

TO: See Schedule "A" attached

TAKE NOTICE default has been made in payment of monies due under a certain mortgage which mortgage was registered on the 29th day of March, 2022 in the Land Registry Office for the Land Titles (No.22) at Huron, as Instrument Number HC165632 between:

Z. DESJARDINS HOLDINGS INC.

as Mortgagor

-and-

BLUEBERRY RECORDS INC.
STANART HOLDINGS INC.
FALVO HOLDINGS LIMITED

as Mortgagee

upon the following property, namely:

71146 Bluewater Highway, Grand Bend, Ontario, PIN 41249-0027(LT)

PT LT 7 CON E OF LAKE RD STEPHEN AS IN R331601; MUNICIPALITY OF SOUTHHURON

51 Main Street, Exeter, Ontario, PIN 41236-0117(LT)

CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376,SAVE AND EXCEPT HWP1875 EXETER; MUNICIPALITY OF SOUTH HURON

227 Victoria Street, Clinton, Ontario, PIN 41176-0057(LT)

LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON ASIN R308390; MUNICIPALITY OF CENTRAL HURON

AND we hereby give you notice that the amount now due on the mortgage for principal money, interest, fees, taxes and costs, respectively, are as follows:

Principal balance outstanding April 1, 2023	\$1,350,000.00
Accrued Interest to May 16, 2023 (46 days @ \$369.86 per diem)	\$17,013.70
OTHER CHARGES	
• Lender Administration Fees	\$450.00
• Lender Default Fee	\$6,500.00
• Legal Fees for collection efforts prior to Notice of Sale – Legal Fees of \$3,500.00+HST	\$3,955.00
• Legal Fees for Notice of Sale – Legal Fees of \$5,000.00 + Disbursements of \$500.00+HST	\$6,215.00
TOTAL AMOUNT AS AT MAY 16, 2023	\$1,384,133.70

(such amount for costs being up to and including the service of this Notice only, and thereafter such further costs and disbursements will be charged as may be proper), together with interest at the rate of


10% per annum, on the principal and interest hereinbefore mentioned from the date of this notice to the date of payment.

AND unless said sums are paid on or before the **26th day of June, 2023**, we shall sell the properties covered by the said mortgage under the provisions contained in it.

THIS notice is given to you as you appear to have an interest in the mortgaged properties and may be entitled to redeem the same.

Dated at Toronto, Ontario this 19th day of May, 2023.

BLUEBERRY RECORDS INC., STANART HOLDINGS INC., and FALVO HOLDINGS LIMITED, by their solicitors, Friedman Law Professional Corporation

DocuSigned by:
Per: 
A94DB084CB954B1...
Barry M. Polisuk, Senior Counsel
150 Ferrand Drive
Suite 800
Toronto, Ontario, M3C 3E5
Telephone: (416) 496-3340 ext 131
Facsimile: (416) 496-3809
Email: bp@friedmans.ca

SCHEDULE "A"

TO: Z. DESJARDINS HOLDINGS INC.
157 Base Line Road West London, Ontario N6J 1V8

AND TO: Desjardins, Zachary
396 Albert ST BX 96, Exeter ON N0M 1S6

AND TO: 1112396 ONTARIO LIMITED
1325 Eglinton Ave East Mississauga, Ontario L4W 4L9

AND TO: 1917171 ONTARIO INC.
238 Melissa Lane Tiny, Ontario L9M 0T8

AND TO: G.R. WILFONG & SON LIMITED
1265 Doon Village Road, Kitchener, ON N2P 1A8

AND TO: HENSALL DISTRICT CO-OPERATIVE, INCORPORATED
1 Davidson Drive, Box 1, Hensall, ON N0M 1X0

This is Exhibit "U" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

From: Rod Refcio
To: [Barry Polisuk](#); [Mark Russell](#); [Thomas Wang](#)
Cc: [Will Chapman](#); [Anne Oakley](#)
Subject: RE: follow up: Without Prejudice
Date: June 28, 2023 3:16:35 PM
Attachments: [image002.png](#)
[image003.jpg](#)
Importance: High

Hi Barry,

I acknowledge receipt of your email and confirm that we have now agreed upon interim terms of settlement.

I will send you our wire confirmation documentation in a separate email shortly.

Regards,

- Rod

Rod R. Refcio
CEO, Senior Lawyer
Refcio & Associates
Barristers and Solicitors
www.rrlaw.ca



Confidentiality Warning: *This message and any attachments are intended only for the use of the intended recipient(s), are confidential and may be privileged and/or provided on a strictly without prejudice basis. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of this message and any attachments is strictly prohibited. If you are not the intended recipient, please notify the sender immediately by return email and delete this message and any attachments from your system. Thank you.*

From: Barry Polisuk <BP@friedmans.ca>
Sent: June 27, 2023 8:44 PM
To: Mark Russell <MR@friedmans.ca>; Rod Refcio <RRefcio@rrlaw.ca>; Thomas Wang <tw@friedmans.ca>
Cc: Will Chapman <WChapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>
Subject: Re: follow up: Without Prejudice

Rod, I would appreciate the courtesy of a response to my email from today and Mark Russell's email yesterday. If we don't hear from you by the end of the day tomorrow we will have no choice but to assume your client will not be proceeding with the payment and we will instruct the Lenders to immediately continue with their enforcement as you probably know, the Notice of Sale has now matured. I hope to hear from you.

Barry M. Polisuk
Friedman Law Professional Corporation
Tel: (416) 496-3340 ext. 131

From: Mark Russell <MR@friedmans.ca>
Sent: Monday, June 26, 2023 4:08:19 PM
To: Rod Refcio <RRefcio@rrlaw.ca>; Thomas Wang <tw@friedmans.ca>
Cc: Barry Polisuk <BP@friedmans.ca>; Will Chapman <WChapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>
Subject: RE: follow up

Without prejudice

Good afternoon Rod,

Your client may remit the partial payment of the arrears to our firm's trust account, which amount will be credited to the mortgage debt and we will provide you with an updated mortgage statement thereafter of its own date.

In consideration of the partial payment and your client's representation that it requires until August 9th to payout the balance of the mortgage debt, our client would be agreeable to hold on taking any further enforcement steps under its Notice of Sale until August 9, 2023 and can deliver a discharge statement on August 2nd.

Our firm trust account deposit information is attached.

Mark A. Russell



Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
mr@friedmans.ca
Tel: (416) 496-3340 ext. 119
Fax: (416) 497-3809

This communication may be solicitor/client privileged and contains confidential information intended only for the persons to whom it is addressed. Any other distribution, copying or disclosure is strictly prohibited. If you have received this message in error, please notify us immediately at 416-496-3340 or by e-mail mr@friedmans.ca

Le contenu de cet envoi, peut être privilégié et confidentiel, ne s'adresse qu'au(x) destinataire(s) indiqué(s) ci-dessus. Toute autre distribution, expédition ou divulgation est strictement interdite. Si vous avez reçu ce message par erreur, svp informez-nous immédiatement par téléphone à 416-496-3340 ou par e-mail mr@friedmans.ca et supprimez ce message de votre boîte de réception sans

lecture ou la copier.

From: Rod Refcio <RRefcio@rrlaw.ca>
Sent: Monday, June 26, 2023 2:21 PM
To: Thomas Wang <tw@friedmans.ca>
Cc: Barry Polisuk <BP@friedmans.ca>; Judy Hamilton <JH@friedmans.ca>; Mark Russell <MR@friedmans.ca>; Will Chapman <WChapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>
Subject: RE: follow up
Importance: High

WITHOUT PREJUDICE & FOR DISCUSSION PURPOSES ONLY

Hello Barry,

I acknowledge receipt of your email and your correspondence.

In response to your email, as stated in my last email, I confirm that I am *in funds* to make the interim payment of \$35,023.35, so if our respective clients can agree on interim terms of settlement then we can deposit the aforesaid to your Firm's trust account immediately thereafter.

While I appreciate that your client may be "jaded", I trust that the aforesaid interim good faith payment for what amounts only to forty-five (45) days should be satisfactory to assuage your client's concerns.

Accordingly, the terms set forth in my last email remain open for your client's acceptance.

Please confirm your receipt of this email and let me know if you or your client have any further questions.

I look forward to receiving your response at your earliest convenience.

Regards,

- Rod

Rod R. Refcio
CEO, Senior Lawyer
Refcio & Associates
Barristers and Solicitors
www.rrlaw.ca

message, the information contained herein, and any attachments is strictly prohibited. If you have received this confidential communication in error, permanently delete the original message and please notify the sender immediately by reply email message or by contacting (416) 496-3340.

From: Rod Refcio <RRefcio@rrlaw.ca>

Sent: Friday, June 23, 2023 3:21 PM

To: Barry Polisuk <BP@friedmans.ca>

Cc: Morgan LeGras <mlegras@rrlaw.ca>; Thomas Wang <tw@friedmans.ca>; Judy Hamilton <JH@friedmans.ca>; Will Chapman <WChapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>;
Rebecca LeGras <rlegras@rrlaw.ca>

Subject: RE: follow up

Importance: High

WITHOUT PREJUDICE & FOR DISCUSSION PURPOSES ONLY

Hi Barry,

I am pleased to advise that we are now fully retained on this matter and in funds to make an interim settlement payment.

Our client would like to attempt to resolve this matter without further protracted and costly litigation proceedings.

Accordingly, I confirm that we have now received instructions to put forth the following proposed terms on a *strictly without prejudice and for discussion purposes only* basis:

- i) We shall make a total interim payment of \$35,023.25 (includes interest arrears from April 1st, 2023 to June 23rd, 2023), plus \$3,955.00 towards your incurred legal costs;
- ii) You shall provide us with a payout statement dated Wednesday, August 2nd, 2023, with daily per diems thereafter;
- iii) Subject to our client's approval of the aforesaid, our client shall payout the full mortgage amount balance owing on or before Wednesday, August 9th, 2023;
- iv) Your client shall take no further enforcement action in the interim before Wednesday, August 9th, 2023.

Please kindly review the aforesaid with your client and if your client is agreeable then confirm by way of reply email and also provide us with your Firm's trust account information so that we may complete the corresponding payment.

Please confirm your receipt of this email and let me know if you have any questions.

Regards,

- Rod

Rod R. Refcio
CEO, Senior Lawyer
Refcio & Associates
Barristers and Solicitors
www.rrlaw.ca



Confidentiality Warning: *This message and any attachments are intended only for the use of the intended recipient(s), are confidential and may be privileged and/or provided on a strictly without prejudice basis. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of this message and any attachments is strictly prohibited. If you are not the intended recipient, please notify the sender immediately by return email and delete this message and any attachments from your system. Thank you.*

From: Barry Polisuk <BP@friedmans.ca>

Sent: June 21, 2023 10:09 AM

To: Rod Refcio <RRefcio@rrlaw.ca>

Cc: Morgan LeGras <mlegras@rrlaw.ca>; Thomas Wang <tw@friedmans.ca>; Judy Hamilton <JH@friedmans.ca>; Will Chapman <WChapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>; Rebecca LeGras <rlegras@rrlaw.ca>

Subject: RE: follow up

Good morning Rod. Please advise if your client will be making the part payment on Friday as per your email below. Thanks, Barry.

Yours Truly,

Barry M. Polisuk
Senior Counsel
Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
Tel: (416) 496-3340 x131
Fax: (416) 497 3809
Email: bp@friedmans.ca

This is Exhibit “V” referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CBB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

From: [Judy Hamilton](#)
To: [Rod Refcio](#); [Will Chapman](#)
Cc: sturk@stephenturklaw.com; [Barry Polisuk](#)
Subject: RE: Blueberry Records Inc., Stanart Holdings Inc. and Falvo Holdings Limited loan to Z. Desjardins Holdings Inc.
Date: September 12, 2023 9:06:00 AM
Attachments: [image002.png](#)
[image007.png](#)
[FW Blueberry Records Inc., Stanart Holdings Inc. and Falvo Holdings Limited loan to Z. Desjardins Holdings Inc..msg](#)

With Prejudice

Rod,

Your without prejudice communication to me, attached, proposes a without prejudice meeting with clients and counsel to discuss resolution. We have in the past and remain willing to have a meeting to discuss a proposed plan to pay out our clients' loans to avoid further proceedings and legal costs. However, previous scheduled meetings in that regard have led nowhere and to date we have seen no progress towards any type of resolution. Although I am happy to attend a meeting later today, I would require as a precondition, an outline of your client's proposed resolution. To date we have no specifics from you, no commitment letter, no financials, no interim payments, nothing to suggest that your client is doing anything but delaying matters, with your assistance.

If your client has a proposal to make, I would ask that you send an outline of the same by 3 p.m. today. I am available for a without prejudice discussion any time after 4 p.m. today and between 1 p.m. – 6 p.m. tomorrow.

Again, for the record, the proposal to discuss resolution does not negate our demand for the financials, refinancing details, and interim payments on the loan. Regardless of when and if we meet, I am still making a formal demand for that information and moving forward with the litigation.

Yours truly,

Judy Hamilton

FRIEDMANS
LAW FIRM

Judy Hamilton | Barrister & Solicitor
Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800, Toronto, ON M3C 3E5
T: (416) 496-3340 x 136 | F: (416) 497-3809
E: jh@friedmans.ca | www.friedmans.ca

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This is Exhibit “W” referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
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Commissioner for Taking Affidavits, etc.

Judy Hamilton

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

1112396 ONTARIO LIMITED, BLUEBERRY RECORDS INC, STANART HOLDINGS
INC. and FALVO HOLDINGS LIMITED

Applicants

and

Z. DESJARDINS HOLDINGS INC., and ZACHARY DESJARDINS

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C.43, AS AMENDED

CONSENT

RSM CANADA LIMITED (“RSM”) hereby consents to act as Court-appointed receiver, without security, of all of the assets, undertakings and properties of Z. Desjardins Holdings Inc. pursuant to subsection 243(1) of *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, in accordance with an order substantially in the form requested by the Applicant, or as such order may be amended in a manner satisfactory to RSM.

DATED this 22nd day of September 2023

RSM CANADA LIMITED

By: 

Name: Bryan A. Tannenbaum

Position: President

I have authority to bind the corporation

This is Exhibit "X" referred to in
the Affidavit of Stanley Schwartz,
sworn this 22nd day of September, 2023.

DocuSigned by:
Judy Hamilton
9CB5AFFBEBE4EE...

Commissioner for Taking Affidavits, etc.

Judy Hamilton

LIMITED as receiver ~~{and manager}~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~{DEBTOR'S NAME}~~Desjardins Holdings Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day via videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~{NAME}~~Stanley Schwartz sworn ~~{DATE}~~September 13, 2023 and the Exhibits thereto, the Affidavit of Stuart Turk and on hearing the submissions of counsel for ~~{NAMES}~~the Applicants and the Respondents, ~~no one appearing for {NAME} although duly served as appears from the affidavit of service of {NAME} sworn {DATE}~~ and on reading the consent of ~~{RECEIVER'S NAME}~~RSM Canada Limited to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated³ so that this motion is properly returnable today and hereby dispenses with further service thereof.

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APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM Canada Limited ~~{RECEIVER'S NAME}~~ is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

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RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality

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³ If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

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- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding ~~\$300,000~~, provided that the aggregate consideration for all such transactions does not exceed \$ _____; ~~\$600,000~~; and

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⁴ This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,]⁵ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

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- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

⁵ If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use

of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

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12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to

the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal

information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

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18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

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19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

⁶ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

FUNDING OF THE RECEIVERSHIP

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21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed ~~_____~~ \$300,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

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25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/sci/practice/practice-directions/toronto/e-service->

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[protocol/](#)) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL www.rsmcanada.com/.

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26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

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GENERAL

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27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

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SCHEDULE "A"

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RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [~~RECEIVER'S NAME~~SM Canada Limited], the receiver (the "Receiver") of the assets, undertakings and properties [~~DEBTOR'S NAME~~Z. Desjardins Holdings Limited] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

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[RECEIVER'S NAME] RSM Canada Limited,
solely in its capacity
as Receiver of the Property, and not in its
personal capacity

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Per: _____

Name:

Title:

Court File No. CV

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF STANLEY SCHWARTZ

FRIEDMAN LAW PROFESSIONAL CORPORATION
Barristers and Solicitors
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5

Judy Hamilton (LSO No. 39475S)
Tel: (416) 649-4462
Email: jh@friedmans.ca
*Lawyers for the Applicants, Blueberry Records Inc,
Stanart Holdings Inc. and Falvo Holdings Limited*

Stephen M. Turk Barrister & Solicitor
200-23 Lesmill Road
Toronto, ON
M3B 3P6

Stephen M. Turk
Tel: 416-630-5511
Fax: 647-317-6076
Email; sturk@stephenturklaw.com

Lawyers for the Applicant, 1112396 Ontario Limited

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

BETWEEN:

1112396 ONTARIO LIMITED, BLUEBERRY RECORDS INC, STANART HOLDINGS
INC. and FALVO HOLDINGS LIMITED

Applicants

and

Z. DESJARDINS HOLDINGS INC., and ZACHARY DESJARDINS

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c.C.43, AS AMENDED

**AFFIDAVIT OF
STUART B. TURK
(sworn the 22nd of September 2023)**

I, Stuart B. Turk, of the City of Toronto, in the Municipality of Toronto, in the Province of Ontario, make oath and say as follows:

Introduction

1. I am a principal of 1112396 Ontario Limited (“111”), one of the Secured Lenders under mortgage loans to the Respondent Z. Desjardins Holdings Inc. (as further described below), which mortgages were guaranteed by the Respondent, Zachary Desjardins, and as such I have personal knowledge of the matters to which I hereinafter depose.

2. I am swearing this Affidavit in support of an application for the appointment of RSM Canada Ltd as court-appointed Receiver and manager of the assets, undertakings and properties of the Respondent, Z. Desjardins Holdings Inc. (the "**Debtor**"), including the Real Properties described below, pursuant to Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C. 43 as amended and Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.O. 1985, c. B- 3, as amended (the "**BIA**").

3. I have reviewed the affidavit of Stanley Schwartz submitted in furtherance of the Application herein. To the extent that is practical in the circumstances, I adopt and rely upon the statements of Mr. Schwartz in his affidavit.

The Applicant 111

4. The Applicant, 111, is an Ontario corporation with its head office in the City of Mississauga, in the Province of Ontario. 111 owns and operates a number of commercial properties in the Greater Toronto Area and a part of its business operations involves investing in mortgages.

The Properties

5. As set out in Mr. Schwartz's affidavit, the Debtor is the registered owner of the following properties:

- i. the real property known municipally as 227 Victoria Street, Clinton, Ontario, NOM 1L0 and described legally in PIN 41176-0057 as LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON AS IN R308390; MUNICIPALITY OF CENTRAL HURON (the "**Clinton Property**").
- ii. the real property known municipally as 51 Main Street North, Exeter, Ontario, NOM 1S3 and described legally in PIN 41236-0117 as CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376, SAVE AND EXCEPT HWP1875 EXETER; MUNICIPALITY OF SOUTH HURON (the "**Exeter Property**").

iii. the real property known municipally as 71146 Bluewater Highway, Grand Bend, Ontario, N0M 1T0, and described legally in PIN 41249-0027 as PT LT 7 CON E OF LAKE RD STEPHEN AS IN R331601; MUNICIPALITY OF SOUTH HURN (the "**Grand Bend Property**") (together the Clinton Property, the Exeter Property and the Grand Bend Property shall be referred to herein as the "**Real Properties**").

6. To the best of my knowledge, the Real Properties are commercial properties which the Debtor operates as gas stations, certain of which include convenience stores on location.

The Clinton Property: the Loan and Mortgage

7. 111 loaned funds to the Debtor in furtherance of its purchase of the Clinton Property. Attached hereto and marked as **Exhibit "A"** to this my affidavit is a true copy of the commitment letter that was entered in furtherance of the loan. Pursuant to the loan of funds, a mortgage was registered on the 11th day of December, 2019, in the Land Registry Office for the Land Titles Division of Huron (No. 22) as Instrument HC144417, made between Z. Desjardins Holdings Inc., as Mortgagor, Zachary Desjardins, as Guarantor and 1112396 Ontario Limited as Mortgagee (the "**Clinton Mortgage**"). Attached hereto and marked as **Exhibit "B"** to this my affidavit is a true copy of the Clinton Mortgage.

8. The Debtor granted a mortgage over the Clinton Property for a term of one year commencing on January 1, 2020 and ending on January 1, 2021. The Clinton Mortgage secured the sum of \$1,175,000.00 and bears interest at 10.0 percent *per annum*, accruing monthly. The Clinton Mortgage was extended by agreements, with the last extension resulting in a maturity date of January 1, 2023.

9. Specifically, the Clinton Mortgage provides for the payment of principal and interest as follows:

Interest only on the principal sum of \$1,175,000.00 at the rate of 10.0 Per Cent per annum, not in advance and calculated and payable monthly on the 1st of each and every month in the amount of \$9,791.67.

10. The Clinton Mortgage provides for post-judgment interest at the same rate of interest as on the principal in the mortgage, namely 10.0% *per annum*.

11. The Clinton Mortgage further provides that on default of payment of any sum required to be paid under the mortgage: (i) the principal becomes due and payable; (ii) 111 is entitled to possession of the mortgaged property; and (iii) 111 is entitled to the foreclosure of the equity of redemption in the mortgaged property or a sale of the mortgaged property.

12. The Respondent, Zachary Desjardins (the "**Guarantor**"), guaranteed all obligations of the Debtor to 111. The Guarantor agreed to fully and completely indemnify 111 for the principal secured, the interest, costs any default occurring in payments or repayment of the principal. Attached hereto and marked as **Exhibit "C"** to this my affidavit is true copy of the executed guarantee.

13. The Clinton Mortgage first went into default on or about June 1, 2022, as the Debtor failed to pay in full the amount due and owing. Since June 1, 2022, multiple defaults have occurred, including the failure to make scheduled payments that and the failure to respond to the inquiries of 111 in a timely manner. Further and as stated above, the Clinton Mortgage matured on January 1, 2023. Despite demands, the Debtor has failed to redeem or cure the default which still continues to date.

14. As of June 20, 2023, \$1,277,191.47 is owing under the Clinton Mortgage.

15. The Respondents are liable to pay the amount outstanding and subsequent interest at the rate of 10.0 per cent *per annum*, not in advance, calculated monthly, from

and after June 20, 2023.

The Exeter Property: the Loan and Mortgage

16. 111 loaned funds to the Debtor for the purpose of the purchase of the Exeter Property. In connection with the loan. Attached hereto and marked as **Exhibit "D"** to this my affidavit is a true copy of the commitment letter that was entered in furtherance of the loan. Pursuant to the loan of funds, a mortgage was registered on the 9th day of August, 2019, in the Land Registry Office for the Land Titles Division of Huron (No. 22) as Instrument HC141429, made between the Debtor, as Mortgagor, the Guarantor, as Guarantor and 111 as Mortgagee (the "**Exeter Mortgage**"). Attached hereto and marked as **Exhibit "E"** to this my affidavit is a true copy of the said Exeter Mortgage.

17. The Debtor, mortgaged the Exeter Property for a term of 1 year commencing September 1, 2019 and ending September 1, 2020. The Exeter Mortgage secured the sum of \$1,700,000.00 and bears interest at 10.0 percent per annum, accruing monthly. The Exeter Mortgage was extended by agreements, with the last extension resulting in a maturity date of September 1, 2022.

18. Specifically, the Exeter Mortgage provides for the payment of principal and interest as follows:

Interest only on the principal sum of \$1,700,000.00 at the rate of 10.0 Per Cent per annum, not in advance and calculated and payable monthly on the 1st of each and every month in the amount of \$14,166.67.

19. The Exeter Mortgage provides for post-judgment interest at the same rate of interest as on the principal in the mortgage, namely 10.0% *per annum*.

20. The Exeter Mortgage further provides that on default of payment of any sum required to be paid under the mortgage: (i) the principal becomes due and payable, (ii)

111 is entitled to possession of the mortgaged property; and (iii) 111 is entitled to the foreclosure of the equity of redemption in the mortgaged property or a sale of the mortgaged property.

21. The Guarantor guaranteed all obligations of the Mortgagor under the Exeter Mortgage. The Guarantor agreed to fully and completely indemnify 111 for the principal secured, the interest, costs any default occurring in payments or repayment of the principal. Attached hereto and marked as **Exhibit "F"** to this my affidavit is true copy of the executed guarantee.

22. The Exeter Mortgage first went into default on or about June 1, 2022, as the Debtor failed to pay in full the amount due and owing. Since June 1, 2022, multiple defaults have occurred, including the failure to make scheduled payments that and the failure to respond to the inquiries of 111 in a timely manner. Further and as indicated above, the Exeter Mortgage matured on September 1, 2022. Despite demands, the Mortgagors have failed to redeem or cure the default.

23. As of June 20, 2023, \$1,834,246.73 is due and owing under the Exeter Mortgage.

24. The Defendants are liable pay amount outstanding and subsequent interest at the rate of 10.0 per cent *per annum*, not in advance, calculated monthly, from and after June 20, 2023.

The Standard Charge Terms and The Security Agreements

25. Both the Clinton Mortgage and the Exeter Mortgage are subject to Standard Charge Terms 200033. These terms, among other things, empower 111 to enter into and sell the mortgaged property. Attached hereto and marked as **Exhibit "G"** to this my affidavit is a true copy of said Standard Charge Terms. Both the Clinton Mortgage and

the Exeter Mortgage had Security Agreements related to them. Attached hereto and marked as **Exhibit “H”** to this my affidavit is a true copy of the Security Agreement entered into regarding the Clinton Mortgage. Attached hereto and marked as **Exhibit “I”** to this my affidavit is a true copy of the Security Agreement entered into regarding the Exeter Mortgage.

Notices of Sale

26. On May 10, 2023, 111 issued Notices of Sale under Mortgage of the Real Properties and on June 20, 2023 Notices pursuant to *Section 63(4)* of the *Personal Property Security Act*. Attached as **Exhibit “J”** are copies of the said Notices.

The Forbearance

27. After being served with the aforementioned Notices, the Debtor made a single payment of \$30,000.00, which was applied equally to the amounts owing on the Clinton Mortgage and the Exeter Mortgage.

28. In exchange for the \$30,000.00 payment, 111 agreed to take no further enforcement steps until on or after August 9, 2023. The Debtor indicated that it would payout the full balances owing on both mortgages on or before August 9, 2023. Attached as **Exhibit “K”** is a copy of the email correspondence between 111’s counsel and the Debtor’s counsel regarding this forbearance.

29. However, the Debtor did not pay the amounts outstanding on or before August 9, 2023, and since that time, despite repeated requests, the Debtor has not paid any further payments towards the principal and interest amounts owing on the Clinton Mortgage or the Exeter Mortgage. Additionally, to the best of my knowledge the Debtor has not secured refinancing to payout the full mortgage amount balances owing. The Debtor has not provided 111 with any financial information of the businesses of the Debtor.

30. I verily believe the Debtor is insolvent and unable to fulfil its obligations to the 111 and its other creditors. The Clinton Mortgage and the Exeter Mortgage have been in default since June 23, 2023 and the Debtor appears to be unable or is refusing to cure said defaults.

Business Are A Going Concern

31. It is my belief that the businesses of the Debtor are still operating and can be sold as going concerns.

The Debtor Refuses To Provide Any Financial Information

32. Despite our information that the gas stations owned by the Debtor continue to operate, the Debtor has refused to make any further payment towards the outstanding principal and interest due to 111. Upon request for financial information and sales data for the business, the Debtor has refused to provide any sort of financial reporting and will not account for the daily receipts of the businesses.

Need For A Court-Appointed Receiver

33. The Receiver once appointed will be in the best position to market the Real Properties for the benefit of the creditors.

34. RSM Canada Limited is a licensed insolvency trustee and has consented to act as Receiver over the property of the Debtor.

35. I believe that the Receiver has the background knowledge and experience that would be required to operate the business of the Debtor as going concerns, and to market and sell the Real Properties in a robust and transparent manner, having regard for the interests of all of the Debtor's stakeholders.

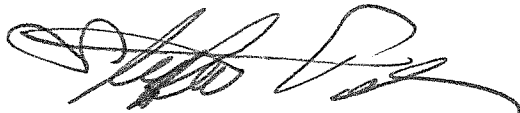
36. I believe that the appointment of a Receiver of the Properties is necessary and just and convenient in the circumstances as:

- a. The Clinton Property and Exeter Property loans are in default, have matured and the Debtor has not, since August 9, 2023, taken any steps to pay the amount owing;
- b. Interest and fees continue to accrue on the Clinton Property and Exeter Property loans, which will reduce the proceeds available to subsequent mortgagees and other creditors;
- c. All relevant notice periods have expired;
- d. The Debtor, through its conduct, has shown that is insolvent and is unable to redeem or refinance the debts registered against the Real Properties;
- e. 111 has no visibility into the financial or operational affairs of the Debtor and there is risk that the assets are being dissipated or soon will be;
- f. The appointment of a Receiver will bring efficiency to the sale of the Real Properties and will maximize the value for the creditors; and
- g. The Debtor is not reporting the income of the business operating on the Properties;

37. I can advise that the draft proposed Receivership Order which is appended as **Exhibit "V"** to the Affidavit of Stanley Schwartz is acceptable to 111.

38. I swear this Affidavit in support of an Application by 111 and Blueberry Records Inc., Stanart Holdings Inc. and Falvo Holdings Limited for the appointment of the Receiver and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on September 22, 2023



Commissioner for Taking Affidavits
(or as may be)



Stuart B. Turk

This is **Exhibit "A"** to the affidavit of
STUART B. TURK
sworn before me this 22nd
day of September, 2023.

A handwritten signature in black ink, appearing to read 'S. M. Turk', written over a horizontal line.

Stephen M. Turk, a commissioner, etc.



258 Wilson Avenue
Toronto, Ontario
M3H 1S6
Telephone: (416) 636-1949
Facsimile: (416) 636-3431
E-mail: jeffrey@schwartzandschwartz.ca

SAUL SCHWARTZ (1924-2015)
JEFFREY J. SCHWARTZ
DAVID E. KELMAN
LAWRENCE B. GOLDAPPLE, COUNSEL

December 3, 2019

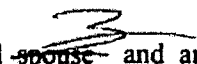
Zachary Dejardins
157 Baseline Road
London, Ontario
N6S 1V8

Dear Sir:

RE: Proposed 1st Mortgage loan on 227 Victoria Street, Clinton, Ontario (the "Property")

We understand that you are requesting a loan of \$1,175,000.00 to be secured by a new first mortgage on the Property. We have been retained to act for the lender to prepare and advance this loan on the following conditions:

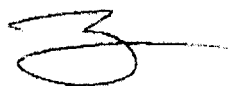
Security:

- a) First Mortgage on the Property;
- b) General and Specific Assignment of Rentals on the Property to rank in first priority;
- c) General Security Agreement to rank in first priority, on all fixtures, chattels, equipment contained in the Property, including commissions/literage paid by or due and any rents or sums due to the Borrower from operations on the property (rental of lands, etc.). Borrower to provide Lender and/or its solicitors with complete list of all equipment, fixtures, chattels of the Borrower and/or the owner, together with copy of licence/franchise agreement and literage agreement with fuel supplier to be pledged to the Lender as part of the security herein.
- d) Personal Guarantee of Zachary Dejardins and ~~spouse~~  and any other principals who are shareholders in the corporation being formed to take title to the Property;

Interest:

10.0% per annum, calculated and payable monthly not in advance for interest only on the first of each month.

.....2/



Term:

To mature one (1) year from interest adjustment date. Loan is closed for early repayment for the term.

Advance Date:

Loan to be advanced in full not later than **December 20, 2019**.

Purpose of Loan:

To provide funds to for purchase of Property. Borrower to have their solicitor confirm balance of purchase price and funds required to complete transaction.

Taxes:

Realty taxes to be up to date and to be maintained throughout the duration of the loan in good standing.

Special Provisions:

- i) Postdated cheques; \$350.00 NSF and late payment charge;
- ii) All realty taxes to be paid and up to date, including all issued installments, due or not, and at option of Lender, realty taxes to be collected on a monthly basis by mortgagee;
- iii) Mortgage advance is to be payable only to registered owner or/and encumbrances being paid out through solicitor's direction of funds;
- iv) Survey and title to be satisfactory to lender;
- v) Documents can not be executed under Power of Attorney;
- vi) Confirmation satisfactory to lender of borrower' and guarantor's income and adequacy to cover all expenses relating to its ownership and operation of the gas bar, and businesses operated on the Property, the debt and the carrying costs.
- vii) Any statement required or any letter of default sent shall be at the cost of the borrowers and at the rate of \$350.00 per occurrence plus any legal costs incurred for enforcement proceedings;
- viii) Copies of all environmental reports in connection with the Property, which are to be to the current and satisfactory to the lender and for which transmittal letter shall be provided.
- ix) Satisfactory evidence of value of Property showing value of not less than \$1,600,000.00; letter of opinion or if required a current appraisal to be provided by an AACI accredited Appraiser, or such independent evaluator that is acceptable to the lender with such Appraiser or evaluator providing transmittal letter to lender;
- x) Property is to be subject to an existing Agreement of Purchase and Sale that is to be confirmed as in full force and effect;

- xi) Advance is conditional upon a lease of the premises and business to be conducted on the Property, on terms and for rents that are sufficient to cover all expenses, costs and the interest herein, all on terms acceptable to the Lenders, at their sole and unfettered discretion. Fuel supplier to the business to acknowledge the priority of the mortgage herein and to provide for notice to the Lender in the event of default and prior to taking any enforcement;

Zoning:

The Property taken as security herein, the improvements thereon and the uses thereto shall comply with all municipal and zoning and building by-laws, fire department and health department requirements (municipal and provincial) and other applicable governmental laws and regulations. Property shall be zoned to allow the existing uses of the Borrower.

Survey:

Borrower to provide an up-to-date survey prepared by a qualified Ontario Land Surveyor of the Property.

Insurance:

Borrower will place or have in place permanent insurance coverage with a company or companies satisfactory to the Lender and the original of said policy signed by the Insurer or Insurers must be deposited with the Lender prior to funds being advanced. Policies of insurance for Property shall be in form and content satisfactory to the Lender.

Policies to include fire and extended coverage and malicious damage, including leakage from fire protection equipment. Standard Service Station Environmental insurance to be in place and the Lender's interest noted.

Policy to further contain comprehensive broad form boiler insurance including unfired pressure vessel insurance and air conditioning equipment including repair and replacement thereof.

Policies to contain comprehensive general liability insurance for bodily injury and/or death and damage to property of others for a minimum amount of \$5 million per occurrence, written on an inclusive basis.

Lender shall be entitled to require coverage of such other risks and perils as the Lender may from time to time consider advisable or desirable and in respect of which insurance coverage may be available.

Corporate Documentation:

Borrower shall provide Lender with constating documents, Borrowing By-laws and Directors' Resolutions authorizing this loan from the borrower and Certificate of Status for Borrower as well as a solicitor's opinion letter, in a form and content reasonably required by the Lender.

.....4/



Guarantors:

The persons listed in this Commitment as Guarantors shall be guarantors to the lender on a joint and several basis. The guarantors shall receive the benefit of independent representation and shall provide to the Lender and its counsel an acknowledgment of having received independent legal advice and a certificate of such independent lawyer, all in the form and content required by the lender.

Sale of Property:

This commitment and the mortgage loans herein contemplated are not assumable and cannot be assigned or transferred by the Mortgagor. The Mortgage shall become payable in full together with all payments referred to on any change of ownership control, transfer of title or conveyance of the property.

Default:

In the event of default in payment of any loan instalment or breach of any covenant and condition or term of the mortgage or other document or other prior or subsequent security registered on title, the loan shall at the option of the Lender forthwith become due and payable in full.

Adverse Change:

In the event of a material adverse change before disbursement has been made, then the Lender shall be entitled to withdraw and cancel its obligations hereunder and will not be obliged to advance funds.

If any of the conditions or requirements included herein for the benefit of the Lender are not satisfied by the Borrower and Guarantors to the satisfaction of the Lender and/or its solicitors the Lender may declare this Commitment null and void and will not be required to advance all or any part of the proposed loan. In such case the Lender and/or its solicitors shall not be responsible for any damages, costs or expenses incurred by the Borrower.

Costs and Charges:

Charges in connection with this transaction are as follows:

Lender Fee: .5%
Legal fees \$7,500.00 all plus any applicable HST

together with all disbursements. Borrower shall pay and satisfy all such fees, taxes and disbursements which are to be paid forthwith and deducted from the advance. Lender reserves right to appoint its solicitors to act on its behalf in this transaction. Solicitors are to satisfy themselves as to title and all aspects of security. All legal fees, title search costs, disbursements and any costs directly or indirectly related to this mortgage transaction shall be borne by the Borrower. Borrower shall execute all documents including such mortgage and other security agreements in such form and containing such provisions as the Lenders solicitors shall reasonably require.

.....5/



Retainer

Borrower shall, by certified cheque or bank draft, deliver and pay to the Lender's solicitors, the sum of \$2,500.00 upon acceptance of this Commitment, the said payment to be on account of fees and disbursements incurred by the said solicitors in preparation of this commitment and in conducting inspection and preliminary investigations. In the event the loan is completed the said sum will be credited to the Borrower's account, otherwise it shall be deemed earned and is non refundable.

If this proposal is acceptable please sign the duplicate of this letter and return one copy no later than 4:00 PM on December 5, 2019. It is agreed that acceptance of this commitment may be by facsimile transmission sent to the solicitors herein.

Yours very truly,

**SCHWARTZ & SCHWARTZ
PROFESSIONAL CORPORATION**

Jeffrey Schwartz *

Per: Jeffrey J. Schwartz
JJS/

** signed in accordance with the Electronic Commerce Act*

W:\Turk. Jonah\Turk Commitment - Gas Bar - 227 Victoria Street, Clinton.wpd

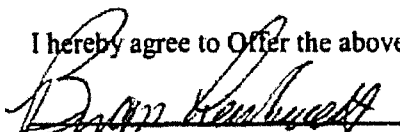
ACCEPTANCE OF THIS LETTER OF INTENT

I/WE Accept this letter of intent and post with your company the Non-Refundable Deposit, and agree to forfeit such amount as liquidated damages, if because of my/our default for any reason, the Charge/Mortgage is not advanced.

NON-REFUNDABLE DEPOSIT ON ACCOUNT OF COMMITMENT FEE

\$ 2,500.00 Certified Cheque/Bank Draft/Money Order

I hereby agree to Offer the above commitment.


witness:


Zachary Dejardins



This is **Exhibit "B"** to the affidavit of
STUART B. TURK
sworn before me this 22nd
day of September, 2023.

A handwritten signature in black ink, appearing to read 'Stephen M. Turk', written over a horizontal line.

Stephen M. Turk, a commissioner, etc.

Properties

PIN 41176 - 0057 LT Interest/Estate Fee Simple
 Description LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON AS
 IN R308390; MUNICIPALITY OF CENTRAL HURON
 Address 227 VICTORIA ST
 CLINTON

Chargor(s)

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

Name Z. DESJARDINS HOLDINGS INC.
 Address for Service 71146 Bluewater Hwy., R.R. 2, Grand
 Bend, ON N0M 1T0

I, Zachary Desjardins, President, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name 1112396 ONTARIO LIMITED
 Address for Service 1325 Eglinton Ave East
 Mississauga, Ontario
 L4W 4L9

Statements

Schedule: See Schedules

Provisions

Principal \$1,175,000.00 Currency CDN
 Calculation Period monthly
 Balance Due Date 2021/01/01
 Interest Rate 10.0
 Payments
 Interest Adjustment Date 2020 01 01
 Payment Date 1st day of each month
 First Payment Date 2020 02 01
 Last Payment Date 2021 01 01
 Standard Charge Terms 200033
 Insurance Amount Full insurable value
 Guarantor Zachary Desjardins

Signed By

Yanfang Guo 258 Wilson Ave. acting for Signed 2019 12 11
 Toronto Chargor(s)
 M3H 1S6

Tel 416-636-1949

Fax 416-636-3431

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

Submitted By

SCHWARTZ & SCHWARTZ 258 Wilson Ave. 2019 12 11
 Toronto
 M3H 1S6

Tel 416-636-1949

Fax 416-636-3431

Fees/Taxes/Payment

Statutory Registration Fee \$65.05

LRO # 22 Charge/Mortgage

Received as HC144417 on 2019 12 11 at 15:42

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

yyyy mm dd Page 2 of 7

Fees/Taxes/Payment

Total Paid \$65.05

File Number

Chargee Client File Number: 17000-16

Schedule

ADDITIONAL PROVISIONS/CLAUSES

Interest Only Charge

The full principal sum of ONE MILLION ONE HUNDRED AND SEVENTY FIVE THOUSAND (\$1,175,000.00) DOLLARS shall become due and be payable on the 1st day of January, 2021, the Chargor, in the meantime until final payment of the principal money shall pay interest on unpaid principal at the rate of TEN (10%) Per cent per annum, calculated monthly not in advance as well after as before maturity and both before and after default; The said payments shall become due and be payable on the first day of each month in the amount of NINE THOUSAND SEVEN HUNDRED AND NINETY ONE — 67/100 (\$9,791.67) Dollars (for interest only); the first payment of such interest to be computed from the 1st day of January, 2020, upon the amount of principal outstanding to become due and payable on the 1st day of February, 2020.

VOID CHEQUE AND PRE-AUTHORIZED PAYMENT/POST-DATED CHEQUES

PROVIDED that it is a condition of advance of funds under this Mortgage/Charge that the Mortgagor/Chargor, if required and requested by the Mortgagee/Chargee, to provide a void cheque and executed pre-authorized payment form for all regular payments falling due hereunder. Failure to provide a void cheque and executed pre-authorized payment form will constitute default and the Mortgagee/Chargee will be entitled to commence default proceedings. Where no such payment method is required, the Mortgagor/Chargor, shall provide a series of post-dated cheques.

PAYMENTS UNDER THIS MORTGAGE ARE TO BE MADE AS FOLLOWS:

<u>Lender</u>	<u>Share of Principal</u>	<u>Monthly Interest Payment</u>
1112396 Ontario Limited	\$1,175,000.00	\$9,791.67
TOTAL:	\$1,175,000.00	\$9,791.67

It is acknowledged as a condition of the advance, that interest to each lender shall be prepaid and paid to the Lenders for the term of the loan.

N.S.F. FEE

PROVIDED the Mortgagee/Chargee shall be entitled to an administrative fee of \$300.00 in the event any payment hereunder shall be returned unpaid by the Mortgagor's/Chargor's bank for any reason or payments not received on payment date(s).

TAX RECEIPTS

PROVIDED paid tax receipts are to be provided to the Mortgagee/Chargee at its option on a half yearly basis.

NON-TRANSFERABLE/NON-ASSUMABLE

PROVIDED that in the event of the transfer, sale or other change of ownership of the property secured by this charge/mortgage the full balance of principal and interest then owing thereunder shall at the option of the Mortgagee become due and payable.

MORTGAGE STATEMENTS

PROVIDED that in the event the Mortgagee/Chargee is required to provide a mortgage statement, there shall be an administrative fee of \$300.00 for each such statement.

DISCHARGE

THE Mortgagee shall be entitled to prepare or have its solicitors prepare a discharge or assignment of Mortgage and any other documents necessary to release or assign any security held by the Mortgagee, and shall have a reasonable time after payment of the mortgage debt in full within which to prepare, execute and deliver such documents. A discharge fee in the amount of \$300.00 for one property and \$200.00 for each additional property, in addition to all other charges in connection with the preparation, review, execution and delivery of such documents shall be paid by the Mortgagor to the Mortgagee.

ADMINISTRATION FEES

PROVIDED that in the event of non-payment of the foregoing administrative fees, the amount due shall be added to the principal balance outstanding and shall earn interest pursuant to the provisions herein set out.

PREPAYMENT PENALTY ON DEFAULT

THE Mortgagor agrees that should the mortgagee commence action due to default under the Mortgage, that the Mortgagee at its option shall be entitled to charge an additional fee equivalent to three (3) month's interest.

MANAGEMENT FEE

The Mortgagees or their agent will be entitled to a management fee based on five (5%) percent of the mortgage principal, which fee the Mortgagor acknowledges is a reasonable estimate of the fees to be incurred, which amount is deemed not to be a penalty, in the event the Mortgagee or its agents take possession of the subject property as a result of default under the mortgage. This clause is also deemed to be proper notice to any subsequent Mortgagee or lien holder of the above-noted fee in the event of the Mortgagee's default.

INSURANCE

IN the event that the Mortgagee deems it necessary to arrange for Insurance to be placed for the subject property, any amount paid by the Mortgagee therefore shall be forthwith payable by the Mortgagor to the Mortgagee with interest and shall be part of the indebtedness secured by the Mortgage bearing interest at the rate set out in the Mortgage. The Mortgagor shall also pay to the Mortgagee a fee in the amount of \$300.00 on each occasion on which the Mortgagee so arranges the placement of Insurance.

FURTHER ENCUMBRANCES

THE Mortgagor/Chargor shall not grant or permit any further mortgages, charges, or encumbrances of any nature to be registered against the property without the prior consent in writing of the Mortgagee/Chargee and in the event of breach of this covenant the Mortgagee/Chargee shall be entitled to commence default proceedings.

INSPECTION

THE Mortgagee may, in the event of default by the Mortgagor of any obligation under the Mortgage itself, or by its agent enter upon the subject property and inspect the same and the reasonable costs of such inspection including without limitation an inspection fee of \$300.00 each time shall be forthwith payable by the Mortgagor to the Mortgagee.

ADDITIONAL INTEREST

PROVIDED that for the purpose of calculation of interest any payment received after 1:00 P.M. shall be deemed to have been received on the next following banking day.

NON-TENANCY

The Mortgagor agrees not to rent or lease the whole or any portion of the subject premises without the prior written approval of the Mortgagee.

The Mortgagor confirms that the premises mortgaged hereunder is a single family home not subject to a tenancy agreement at the date of execution hereof. The Mortgagors further covenant not to enter into a tenancy agreement prior to registration hereof and agree with respect to any tenancy agreement, consented to in writing by the Mortgagee and entered into prior to discharge of this mortgage, to incorporate an acknowledgement of priority by the Lessee of the forms and provisions of this mortgage, including without limitation to generally an acknowledgement by the Lessee thereunder that the Mortgagee's right to possession will not be bound by, or subject to, the residential tenancy provisions of the Landlord and Tenant Act.

ADMINISTRATION FEE ON DEFAULT

IF the Mortgagee takes any proceeding pursuant to the Mortgage by reason of the Mortgagor's default the Mortgagee shall be entitled to add to the mortgage debt a service and administration fee of \$500.00 in addition to all other fees, claims or demands to which the Mortgagee is also entitled.

For attending to take possession following default the Mortgagee shall be entitled to charge a fee of \$1,000.00.

For administering maintenance and security of the property in the Mortgagee's possession the Mortgagee shall be entitled to charge \$50.00 per day.

DEFAULT ON PRIOR ENCUMBRANCES

THE Mortgagor agrees that default on any previous mortgages shall constitute default on the within mortgage and legal proceedings may be commenced herein.

PREPAYMENT PROVISIONS

The loan is closed mortgage.

COMMITMENT LETTER

THE Charge herein is subject to a commitment letter entered into with the Borrower. In the event of any conflict between this Schedule and the Commitment Letter, the Chargee shall have the sole and unfettered right to determine which conflicting provision shall prevail.

CONDOMINIUM PROVISIONS - if applicable

- A. THE CHARGOR(S) covenant(s) and agree(s) at all times and from time to time to observe and perform all duties and obligations imposed upon them by the Condominium Act, and by the Declaration and By-laws, as amended from time to time, of the Condominium Corporation, by virtue of their ownership of the said unit. Any breach of the said duties and obligations shall constitute a breach of covenant under this mortgage. The Chargor(s) further covenant(s) and agree(s) to transmit to the Chargee forthwith upon the demand of the Chargee, satisfactory proof that all common expenses against the said unit have been paid as assessed.
- B. WITHOUT LIMITING the generality of the foregoing, the Chargor(s) covenant(s) and agree(s) that they will promptly, when due, pay any contributions to common expenses required of them as an owner of the said unit, and in the event of their default in doing so, the Chargee, at its option, may pay same and exercise all or any of its rights under the provisions of this Charge whether or not any payment in default has priority to this mortgage or any part of the monies secured hereby.
- C. THE CHARGEЕ is hereby irrevocably authorized and empowered to exercise the right of the Chargor(s) as an owner of the said unit to vote or to consent in all matters relating to the affairs of the said Corporation, subject to the rights of any prior Chargee, provided that:
- (a) the Chargee may at any time, or from time to time, give notice in writing to the Chargor(s) and the said Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event, until the Chargee revokes the Chargor(s) may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time for a specific meeting or matter.
 - (b) the Chargee shall not, by virtue of the Assignment to the Chargee of the right to vote or consent, be under any obligation to vote or consent or to protect the interest of the Chargor(s).
 - (c) the exercise of the right to vote or consent shall not constitute the Chargee or any Chargee in possession

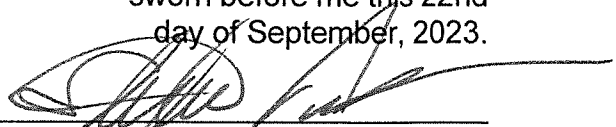
GUARANTOR(S) - if applicable and a party is so named as a Guarantor

Any named Guarantor herein, in consideration of other good and valuable consideration and the sum of FIVE (\$5.00) DOLLARS now paid to me, the receipt whereof is hereby acknowledged:

- A. **HEREBY COVENANTS** and agrees with the Chargee, as a principal debtor and not as surety, to well and truly pay or cause to be paid to the Chargee the principal money, interest, taxes and all other monies which the Chargor has by this Charge covenanted to pay to the Chargee or intended so to be secured, the said payments to be made on the days and times and in the manner provided for in this Charge;
- B. **HEREBY FURTHER COVENANTS** and agrees to keep, observe and perform the covenants, terms, provisos, stipulations and conditions of this Charge which are to be kept, observed and performed by the Chargor and at all times to indemnify, protect and save harmless the Chargee from all loss, costs and damage in respect of the advances of the mortgage money and every matter and thing contained in this Charge;
- C. **HEREBY FURTHER AGREES** that the Chargee may from time to time without notice, extend and/or renew the time for payment of all monies secured by this Charge, amend the terms and times of payment and the rate of interest with respect to the said monies, refrain from enforcing payment of the said monies, release any portion or portions of the mortgaged premises and waive or vary any of the covenants and conditions in this Charge to be kept, observed, and performed by the Chargor and grant any indulgence to the Chargor by the Chargee and grant any indulgence to the Chargor in respect of any default by the Chargor which may arise under this Charge and that notwithstanding any such act by the Chargee, the Guarantor shall be bound by the provisions of this Charge until all of the monies secured under this Charge shall have been fully paid and satisfied;
- D. **HEREBY FURTHER ACKNOWLEDGES** that the Chargee may at any time grant or refuse any additional credit to the Chargor, accept or release or renounce any collateral or other security, administer or otherwise deal with the Property, take an assignment of the rentals with respect to the said lands and premises and apply any and all monies at any time received from the Chargor or from any other person or from the proceeds of any securities given in connection with this Charge in any manner the Chargee may deem appropriate. The Chargee may also utilize any and all insurance proceeds in reduction of the principal monies and interest secured by this Charge or for the refurbishing of the property or in any other manner that the Chargee may in its absolute discretion deem advisable;
- E. **HEREBY FURTHER AGREES** that all of the matters mentioned herein may be performed by the Chargee without notice to the Guarantor without releasing or in any way modifying, altering, varying or in any way affecting the liability of the Guarantor hereunder, and
- F. **HEREBY AGREES** that all of the covenants and agreements of the Guarantor, contained herein are, and shall be binding upon the heirs, executors, trustees and administrators and shall accrue to the benefit of the Chargee, their successors and/or assigns. Where there is more than one Guarantor to the Charge, all such Guarantors hereby covenant, acknowledge and agree that in consideration of the granting of this Charge to the Chargor herein as set out above in this guarantee provision, the guarantee herein by each and every guarantor is deemed to be joint and several.

Q:\DATA\DOCS\17000-16.MMortgage Schedule for Private Lender.wpd

This is **Exhibit "C"** to the affidavit of
STUART B. TURK
sworn before me this 22nd
day of September, 2023.



Stephen M. Turk, a commissioner, etc.

GUARANTEE AND POSTPONEMENT OF CLAIM

TO: 1112396 Ontario Limited

WHEREAS 1112396 Ontario Limited (the "Lender") have advanced funds or are about to advance funds to Z. Desjardins Holdings Inc. (the "Borrower" or "Chargor") and in consideration of your intention to advance the said funds to the Borrower, and other good and valuable consideration and the sum of two dollars (\$2.00), the receipt and sufficiency of which are hereby acknowledged, the undersigned (the "Covenantor") hereby jointly and severally declare, covenant and agree as follows:

1. In this Guarantee and Postponement of Claim the following words shall have the meaning as indicated opposite such words:

"Credit" - means financial accommodation of any kind whatsoever.

"Indebtedness" - means in its broadest sense all obligations of the Borrower to the Lender, alone or with others heretofore or hereafter incurred, whether voluntarily or involuntarily, whether due or not due, whether absolute, inchoate, contingent, liquidated or unliquidated together with interest on each and every such obligation.

2. Without further authorization from or notice to the Covenantor, you may grant Credit and advance funds to the Borrower from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with or without notice to the Covenantor you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Borrower or by any person or persons liable to you of any Indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or reduce the rate of interest thereon, release or add one or more covenantors or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or nonexercise by you or any right hereby given you, no failure by you to record, complete or otherwise perfect any securities given by the Borrower or the Covenantor or any person, firm or corporation, no dealing by you with the Borrower or the Covenantor or any person, firm or corporation, no dealing by you with the Borrower or any Covenantor or endorser and no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Covenantor's obligations hereunder or any security furnished by the Covenantor or give the Covenantor any recourse against you.
3. The Covenantor guarantees unconditionally and promises to pay to you or to your order the amount of Indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any Indebtedness of the Borrower hereby guaranteed or in enforcing this Guarantee against the Covenantor and, promise to perform each guaranteed obligation when due.
4. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Borrower, any other Covenantor, any other person, firm or corporation, or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Covenantor of all Indebtedness hereby guaranteed. This Guarantee shall not be determined or affected or your rights thereunder prejudiced by the discontinuance of

this Guarantee as to one or more other Covenantor or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of the Borrower, or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of any other Covenantor.

5. Upon this Guarantee bearing the signature of the Covenantor coming into your hands or the hands of any officer, agent or employee thereof the same shall be deemed to be finally executed and delivered by the Covenantor and shall not be subject to or affected by any promise or condition affecting or limiting the Covenantor's liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Covenantor's liability hereunder.
6. No alteration or waiver of this Guarantee or any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of your duly authorized officers in that regard.
7. Until all Indebtedness hereby guaranteed has been paid in full the Covenantor shall not have any right of subrogation unless expressly given the Covenantor in writing by one of your duly authorized officers in that regard.
8. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or moneys received to any portion of the Indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your controlled discretion see fit.
9. No change in the name, objects, share capital, business, membership, directorate powers, organization or management of the Borrower shall in any way affect the obligations of the Covenantor, either with respect to transactions occurring before or after any such change, it being understood that where the Borrower is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Borrower notwithstanding any change or changes in the name or membership of the Borrower's firm, or in the name of the Corporate Borrower, and notwithstanding any reorganization of the Corporate Borrower, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.
10. Where the Borrower is a corporation or partnership or an entity, you shall not be concerned to see or inquire into the powers of the Borrower or its directors, partners or agents acting or purporting to act on its behalf, and credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the Indebtedness hereby guaranteed even though the borrowing or obtaining of such credit was irregularly, fraudulently, defectively or informally effected, or in excess of the powers of the Borrower or of the directors, partners or agents thereof. The Covenantor warrants and represents that he is fully authorized by law to execute this Guarantee to be granted to the Borrower.

11. The statement in writing of any of your authorized officers from time to time of the Indebtedness of the Borrower to you and covered by this Guarantee shall be received as prima facie evidence as against the Covenantor that such amount is at such time so due and payable to you and is covered hereby.
12. All indebtedness, present and future, of the Borrower to the Covenantor is hereby assigned to you and postponed to the present and future Indebtedness of the Borrower to you and all moneys received from the Borrower or for its account by the Covenantor shall be received in trust for you, and forthwith upon receipt, paid over to you until the Borrower's Indebtedness to you is fully paid and satisfied, all without prejudice to you and without in any way limiting or lessening the liability of the undersigned to you under this Guarantee, If the Borrower is a partnership of which the Covenantor is a member, the Covenantor will not without the prior written consent of one of your duly authorized officers withdraw any capital of the Covenantor invested with the Borrower.
13. Upon the bankruptcy or winding up or other distribution of assets of the Borrower or any surety or Covenantor of any Indebtedness of the Borrower to you, your rights shall not be affected or impaired by your omission to prove your claim and you may prove such claim as you see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the Covenantor liability to you and until all Indebtedness of the Borrower to you has been fully paid to you, you shall have the right to include in your claim the amount of all sums paid by the Covenantor to you under this Guarantee and to prove and rank for such sums paid by the Covenantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you. The Covenantor shall not be released from liability if recovery from the Borrower, any other Covenantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.
14. The Covenantor will file all claims against the Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law upon any Indebtedness of the Borrower to the Covenantor and will assign to you all of the Covenantor's rights thereunder. If the Covenantor does not file any such claim, you, as attorney in fact of the Covenantor, are hereby authorized to do so in the name of the Covenantor or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Covenantor, and to the full extent necessary for that purpose the Covenantor hereby assigns to you all the Covenantor's right to any payments or distributions to which the Covenantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.
15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Covenantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law and, without restricting the generality of the foregoing, if you hold one or more guarantees executed by the Covenantor relating to credit extended to the Borrower by you, the amount of the Covenantor's liability imposed by such other guarantee or guarantees shall be added

to the amount of the Covenantor's liability imposed by the provisions hereof and the resulting total shall be the amount of the Covenantor's liability.

16. The Covenantor shall pay to you on demand (in addition to all debts and liabilities of the Borrower hereby guaranteed) all costs, charges and expenses (including without limitation, lawyer's fees as between solicitor and client) incurred by you for the preparation, execution and perfection and enforcement of this Guarantee and of any securities collateral thereto, together with interest calculated from the date of payment by you of each such costs, charges and expenses until payment by the Covenantor hereunder.
17. In case of default you may maintain an action upon this Guarantee whether or not the Borrower is joined therein or separate action is brought against the Borrower or judgment obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the Covenantor or by any number of successive actions until and unless all Indebtedness hereby guaranteed has been paid and each of the Covenantor's obligations hereunder has been fully performed.
18. If any provision of this Guarantee is determined in any proceeding by a Court of Jurisdiction to be invalid or to be wholly or partially enforceable, the provision shall, for the purposes of such a proceeding, be severed from this Guarantee at the Lender's option and shall be treated as not forming a part hereof and all the remaining provisions of this Guarantee shall remain in full force and shall be unaffected thereby.
19. Any notice or demand which you may wish to give may be served on the Covenantor either personally or on his legal personal representative or in the case of a corporation on an officer of the corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address of the person to be served as it appears on your records, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed.
20. This Guarantee shall be construed in accordance with the laws of the Province of Ontario and in any action thereon the Covenantor shall be estopped from denying the same; any judgment recovered in the Courts of such Province against any of the Covenantor or its executors, administrators, legal personal representatives, successors and/or assigns shall be binding on it and them.
21. Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine gender and any word importing a person shall include a corporation, partnership, firm and any entity.
22. In the event of your making a demand upon the undersigned or any or all of the undersigned upon this Guarantee each of the undersigned shall be held and bound to you directly as principal debtor in respect of the payment of the amounts hereby guaranteed and if there be more than one undersigned then liability hereunder shall be joint and several.

23. This Guarantee and agreement on the part of the Covenantor shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the Covenantor and their executors, administrators, legal person representatives, successors and assigns.

DATED at Exeter this 11 day of December, 2019.

Witness

Zachary Desjardins

Date of Birth: July 4, 1992
Address: 812-325 Southdale Road West,
London, Ontario N6J 4Y8

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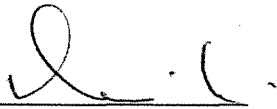
GUARANTOR'S CERTIFICATE

TO: 1112396 Ontario Limited

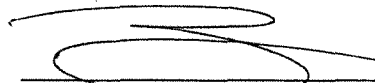
RE: 1112396 Ontario Limited (the "Lender" or "Chargee") mortgage loan (the "Loan") to Z. Desjardins Holdings Inc. (the "Borrower" or "Chargor"), and guaranteed by Zachary Desjardins (the "Guarantor") secured by a first Charge/Mortgage (the "Charge") over the lands and premises municipally located at 227 Victoria St., Clinton, Ontario (the "Property")

The undersigned, being the Guarantor in the above-noted transaction, hereby acknowledge and confirm having had the meaning and import of the terms and provisions of the Charge/Mortgage, the Guarantee and other collateral security documentation provided as part of the credit facilities (the "Security") included therein, explained to them and having had an opportunity to seek independent legal advice prior to the execution of the Security.

DATED at Exeter this 11 day of December, 2019.



witness



Zachary Desjardins - Guarantor

**CERTIFICATE OF INDEPENDENT LEGAL REPRESENTATION
AND IDENTIFICATION**

TO: 1112396 Ontario Limited

AND TO: Schwartz & Schwartz PC,
Barristers & Solicitors


RE: 1112396 Ontario Limited (the "Lender" or "Chargee") mortgage loan (the "Loan") to Z. Desjardins Holdings Inc. (the "Borrower" or "Chargor"), and guaranteed by Zachary Desjardins (the "Guarantor") secured by a first Charge/Mortgage (the "Charge") over the lands and premises municipally located at 227 Victoria St., Clinton, Ontario (the "Property")

Zachary Desjardins, the guarantor named in this transaction, who having been examined by me, acknowledged and declared that he fully understood the nature and effect of the documents relating to the above-noted transaction and that he executed the same as and for his own act and deed, freely and voluntarily and without fear, threat or compulsion.

I acknowledge that the mortgage lender is also relying on me for confirmation as to the true identity of the guarantors. To this end I confirm that I have examined his identification, both picture and signature (copy of driver's licence and picture attached or other current photo ID).

Based on the foregoing I certify to you that Zachary Desjardins, the guarantor appearing before me and who executed a Guarantee and Postponement of Claim to 1112396 Ontario Limited is in fact the guarantor.

DATED at Exeter this 11th day of December, 2019.



Keith Ian McLean
Barrister & Solicitor

ACKNOWLEDGEMENT OF INDEPENDENT LEGAL REPRESENTATION

I, Zachary Desjardins, the guarantor named in this transaction, acknowledge that I have retained Keith Ian McLean, Barrister & Solicitor, for the purpose of acting on my behalf in the subject loan.

I acknowledge that the said lawyer has explained to me the nature and effect of the documents signed by me and the nature and effect of the security granted to the Lender and has answered all questions raised by me with respect to the transaction.

I acknowledge that prior to the execution of the documents herein, I have been informed that the law firm of Schwartz and Schwartz PC is acting solely as the solicitors for the Lender/Mortgagee, 1112396 Ontario Limited only in this transaction.

I have executed all documents relating to the transaction herein of my own free will.

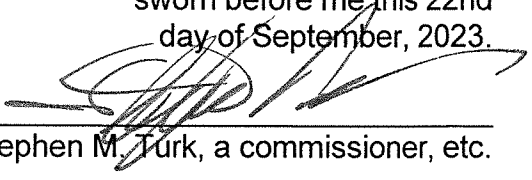
DATED at Exeter this 11th day of December, 2019.

Witness



Zachary Desjardins

This is **Exhibit "D"** to the affidavit of
STUART B. TURK
sworn before me this 22nd
day of September, 2023.



Stephen M. Turk, a commissioner, etc.



258 Wilson Avenue
Toronto, Ontario
M3H 1S6
Telephone: (416) 636-1949
Facsimile: (416) 636-3431
E-mail: jeffrey@schwartzandschwartz.ca

SAUL SCHWARTZ (1924-2015)
JEFFREY J. SCHWARTZ
DAVID E. KELMAN
LAWRENCE B. GOLDAPPLE, COUNSEL

July 11, 2019

Zachary Dejardins
157 Baseline Road
London, Ontario
N6S 1V8

Dear Sir:

RE: Proposed 1st Mortgage loan on 51 Main St. N., Exeter, Ontario (the "Property")

We understand that you are requesting a loan of \$1,700,000.00 to be secured by a new first mortgage on the Property. We have been retained to act for the lender to prepare and advance this loan on the following conditions:

Security:

- a) First Mortgage on the Property;
- b) General and Specific Assignment of Rentals on the Property to rank in first priority;
- c) General Security Agreement to rank in first priority, on all fixtures, chattels, equipment contained in the Property, including commissions/literage paid by or due and any rents or sums due to the Borrower from operations on the property (rental of lands, etc.). Borrower to provide Lender and/or its solicitors with complete list of all equipment, fixtures, chattels of the Borrower and/or the owner, together with copy of licence/franchise agreement and literage agreement with fuel supplier to be pledged to the Lender as part of the security herein.
- d) Personal Guarantee of Zachary Dejardins and spouse and any other principals who are shareholders in the corporation being formed to take title to the Property;

Interest:

10.0% per annum, calculated and payable monthly not in advance for interest only on the first of each month.

.....2/

Term:

To mature one (1) year from interest adjustment date. Loan is closed for early repayment for the term.

Advance Date:

Loan to be advanced in full not later than **August 1, 2019**.

Purpose of Loan:

To provide funds to for purchase of Property. Borrower to have their solicitor confirm balance of purchase price and funds required to complete transaction.

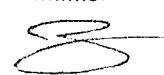
Taxes:

Realty taxes to be up to date and to be maintained throughout the duration of the loan in good standing.

Special Provisions:

- i) Postdated cheques; \$350.00 NSF and late payment charge;
- ii) All realty taxes to be paid and up to date, including all issued installments, due or not, and at option of Lender, realty taxes to be collected on a monthly basis by mortgagee;
- iii) Mortgage advance is to be payable only to registered owner or/and encumbrances being paid out through solicitor's direction of funds;
- iv) Survey and title to be satisfactory to lender;
- v) Documents can not be executed under Power of Attorney;
- vi) Confirmation satisfactory to lender of borrower' and guarantor's income and adequacy to cover all expenses relating to its ownership and operation of the gas bar, and businesses operated on the Property, the debt and the carrying costs.
- vii) Any statement required or any letter of default sent shall be at the cost of the borrowers and at the rate of \$350.00 per occurrence plus any legal costs incurred for enforcement proceedings;
- viii) Copies of all environmental reports in connection with the Property, which are to be to the current and satisfactory to the lenders and for which transmittal letters shall be provided.
- ix) Satisfactory evidence of value of Property showing value of not less than \$2,000,000.00; letter of opinion or if required a current appraisal to be provided by an AACI accredited Appraiser, with such Appraiser providing transmittal letter to lender;
- x) Property is to be subject to an existing Agreement of Purchase and Sale that is to be confirmed as in full force and effect;
- xi) Advance is conditional upon a lease of the premises and business to be conducted on the Property, on terms and for rents that are sufficient to cover all expenses, costs and the interest herein, all on terms acceptable to the Lenders, at their sole and unfettered discretion. Fuel supplier to the business to acknowledge the priority of the mortgage herein and to provide for notice to the Lender in the event of default and prior to taking any enforcement;

.....3/



Zoning:

The Property taken as security herein, the improvements thereon and the uses thereto shall comply with all municipal and zoning and building by-laws, fire department and health department requirements (municipal and provincial) and other applicable governmental laws and regulations. Property shall be zoned to allow the existing uses of the Borrower.

Survey:

Borrower to provide an up-to-date survey prepared by a qualified Ontario Land Surveyor of the Property.

Insurance:

Borrower will place or have in place permanent insurance coverage with a company or companies satisfactory to the Lender and the original of said policy signed by the Insurer or Insurers must be deposited with the Lender prior to funds being advanced. Policies of insurance for Property shall be in form and content satisfactory to the Lender.

Policies to include fire and extended coverage and malicious damage, including leakage from fire protection equipment. Standard Service Station Environmental insurance to be in place and the Lender's interest noted.

Policy to further contain comprehensive broad form boiler insurance including unfired pressure vessel insurance and air conditioning equipment including repair and replacement thereof.

Policies to contain comprehensive general liability insurance for bodily injury and/or death and damage to property of others for a minimum amount of \$5 million per occurrence, written on an inclusive basis.

Lender shall be entitled to require coverage of such other risks and perils as the Lender may from time to time consider advisable or desirable and in respect of which insurance coverage may be available.

Corporate Documentation:

Borrower shall provide Lender with constating documents, Borrowing By-laws and Directors' Resolutions authorizing this loan from the borrower and Certificate of Status for Borrower as well as a solicitor's opinion letter, in a form and content reasonably required by the Lender.

.....4/



Guarantors:

The persons listed in this Commitment as Guarantors shall be guarantors to the lender on a joint and several basis. The guarantors shall receive the benefit of independent representation and shall provide to the Lender and its counsel an acknowledgment of having received independent legal advice and a certificate of such independent lawyer, all in the form and content required by the lender.

Sale of Property:

This commitment and the mortgage loans herein contemplated are not assumable and cannot be assigned or transferred by the Mortgagor. The Mortgage shall become payable in full together with all payments referred to on any change of ownership control, transfer of title or conveyance of the property.

Default:

In the event of default in payment of any loan instalment or breach of any covenant and condition or term of the mortgage or other document or other prior or subsequent security registered on title, the loan shall at the option of the Lender forthwith become due and payable in full.

Adverse Change:

In the event of a material adverse change before disbursement has been made, then the Lender shall be entitled to withdraw and cancel its obligations hereunder and will not be obliged to advance funds.

If any of the conditions or requirements included herein for the benefit of the Lender are not satisfied by the Borrower and Guarantors to the satisfaction of the Lender and/or its solicitors the Lender may declare this Commitment null and void and will not be required to advance all or any part of the proposed loan. In such case the Lender and/or its solicitors shall not be responsible for any damages, costs or expenses incurred by the Borrower.

Costs and Charges:

Charges in connection with this transaction are as follows:

Lender Fee: 1%
Legal fees \$7,500.00 all plus any applicable HST

together with all disbursements. Borrower shall pay and satisfy all such fees, taxes and disbursements which are to be paid forthwith and deducted from the advance. Lender reserves right to appoint its solicitors to act on its behalf in this transaction. Solicitors are to satisfy themselves as to title and all aspects of security. All legal fees, title search costs, disbursements and any costs directly or indirectly related to this mortgage transaction shall be borne by the Borrower. Borrower shall execute all documents including such mortgage and other security agreements in such form and containing such provisions as the Lenders solicitors shall reasonably require.

.....5/



Retainer

Borrower shall, by certified cheque or bank draft, deliver and pay to the Lender's solicitors, the sum of \$2,500.00 upon acceptance of this Commitment, the said payment to be on account of fees and disbursements incurred by the said solicitors in preparation of this commitment and in conducting inspection and preliminary investigations. In the event the loan is completed the said sum will be credited to the Borrower's account, otherwise it shall be deemed earned and is non refundable.

If this proposal is acceptable please sign the duplicate of this letter and return one copy no later than 4:00 PM on July 15, 2019. It is agreed that acceptance of this commitment may be by facsimile transmission sent to the solicitors herein.

Yours very truly,

**SCHWARTZ & SCHWARTZ
PROFESSIONAL CORPORATION**

Jeffrey Schwartz *

Per: Jeffrey J. Schwartz
JJS/

** signed in accordance with the Electronic Commerce Act*

W:\Turk, Jonah\Commitment - Gas Bar - 51 Main St N, Exeter.wpd

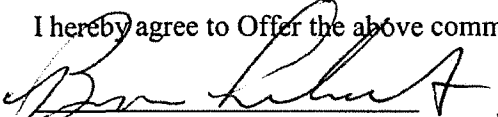
ACCEPTANCE OF THIS LETTER OF INTENT

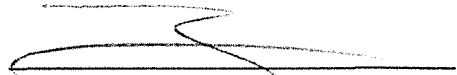
I/WE Accept this letter of intent and post with your company the Non-Refundable Deposit, and agree to forfeit such amount as liquidated damages, if because of my/our default for any reason, the Charge/Mortgage is not advanced.

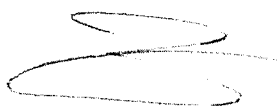
NON-REFUNDABLE DEPOSIT ON ACCOUNT OF COMMITMENT FEE

\$ 2,500.00 Certified Cheque/Bank Draft/Money Order


I hereby agree to Offer the above commitment.


witness:


Zachary Dejardins



This is **Exhibit "E"** to the affidavit of
STUART B. TURK
sworn before me this 22nd
day of September, 2023.



Stephen M. Turk, a commissioner, etc.

Properties

PIN 41236 - 0117 LT *Interest/Estate* Fee Simple
Description CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376,
 SAVE AND EXCEPT HWP1875 EXETER; MUNICIPALITY OF SOUTH HURON
Address 51 MAIN ST N
 EXETER

Chargor(s)

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

Name Z. DESJARDINS HOLDINGS INC.
 Acting as a company
Address for Service c/o Zachary Desjardins
 157 Base Line Road West
 London, Ontario
 N6J 1V8

I, Zachary Desjardins, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name 1112396 ONTARIO LIMITED
 Acting as a company
Address for Service 1325 Eglinton Ave E, Mississauga, Ontario L4W 4L9

Statements

Schedule: See Schedules

Provisions

Principal \$1,700,000.00 *Currency* CDN
Calculation Period Monthly, not in advance
Balance Due Date 2020/09/01
Interest Rate
Payments \$14,166.67
Interest Adjustment Date 2019 09 01
Payment Date 1st day of each and every month
First Payment Date 2019 10 01
Last Payment Date 2020 09 01
Standard Charge Terms 200033
Insurance Amount Full insurable value
Guarantor Zachary Desjardins and Kayla Pacheco

File Number

Chargee Client File Number : 17000-15

Schedule

ADDITIONAL PROVISIONS/CLAUSES

Interest Only Charge

The full principal sum of ONE MILLION SEVEN HUNDRED THOUSAND (\$1,700,000.00) DOLLARS shall become due and be payable on the 1st day of September 2020, the Chargor, in the meantime until final payment of the principal money shall pay interest on unpaid principal at the rate of TEN (10%) Per cent per annum, calculated monthly not in advance as well after as before maturity and both before and after default; The said payments shall become due and be payable on the first day of each month in the amount of FOURTEEN THOUSAND ONE HUNDRED AND SIXTY-SIX — 67/100 (\$14,166.67) Dollars (for interest only); the first payment of such interest to be computed from the 1st day of September, 2019, upon the amount of principal outstanding to become due and payable on the 1st day of October, 2019.

VOID CHEQUE AND PRE-AUTHORIZED PAYMENT/POST-DATED CHEQUES

PROVIDED that it is a condition of advance of funds under this Mortgage/Charge that the Mortgagor/Chargor, if required and requested by the Mortgagee/Chargee, to provide a void cheque and executed pre-authorized payment form for all regular payments falling due hereunder. Failure to provide a void cheque and executed pre-authorized payment form will constitute default and the Mortgagee/Chargee will be entitled to commence default proceedings. Where no such payment method is required, the Mortgagor/Chargor, shall provide a series of post-dated cheques.

PAYMENTS UNDER THIS MORTGAGE ARE TO BE MADE AS FOLLOWS:

<u>Lender</u>	<u>Share of Principal</u>	<u>Monthly Interest Payment</u>
1112396 Ontario Limited	\$1,700,000.00	\$14,166.67
TOTAL:	\$1,700,000.00	\$14,166.67

It is acknowledged as a condition of the advance, that interest to each lender shall be prepaid and paid to the Lenders for the term of the loan.

N.S.F. FEE

PROVIDED the Mortgagee/Chargee shall be entitled to an administrative fee of \$300.00 in the event any payment hereunder shall be returned unpaid by the Mortgagor's/Chargor's bank for any reason or payments not received on payment date(s).

TAX RECEIPTS

PROVIDED paid tax receipts are to be provided to the Mortgagee/Chargee at its option on a half yearly basis.

NON-TRANSFERABLE/NON-ASSUMABLE

PROVIDED that in the event of the transfer, sale or other change of ownership of the property secured by this charge/mortgage the full balance of principal and interest then owing thereunder shall at the option of the Mortgagee become due and payable.

MORTGAGE STATEMENTS

within which to prepare, execute and deliver such documents. A discharge fee in the amount of \$300.00 for one property and \$200.00 for each additional property, in addition to all other charges in connection with the preparation, review, execution and delivery of such documents shall be paid by the Mortgagor to the Mortgagee.

ADMINISTRATION FEES

PROVIDED that in the event of non-payment of the foregoing administrative fees, the amount due shall be added to the principal balance outstanding and shall earn interest pursuant to the provisions herein set out.

PREPAYMENT PENALTY ON DEFAULT

THE Mortgagor agrees that should the mortgagee commence action due to default under the Mortgage, that the Mortgagee at its option shall be entitled to charge an additional fee equivalent to three (3) month's interest.

MANAGEMENT FEE

The Mortgagees or their agent will be entitled to a management fee based on five (5%) percent of the mortgage principal, which fee the Mortgagor acknowledges is a reasonable estimate of the fees to be incurred, which amount is deemed not to be a penalty, in the event the Mortgagee or its agents take possession of the subject property as a result of default under the mortgage. This clause is also deemed to be proper notice to any subsequent Mortgagee or lien holder of the above-noted fee in the event of the Mortgagee's default.

INSURANCE

IN the event that the Mortgagee deems it necessary to arrange for Insurance to be placed for the subject property, any amount paid by the Mortgagee therefore shall be forthwith payable by the Mortgagor to the Mortgagee with interest and shall be part of the indebtedness secured by the Mortgage bearing interest at the rate set out in the Mortgage. The Mortgagor shall also pay to the Mortgagee a fee in the amount of \$300.00 on each occasion on which the Mortgagee so arranges the placement of Insurance.

FURTHER ENCUMBRANCES

THE Mortgagor/Chargor shall not grant or permit any further mortgages, charges, or encumbrances of any nature to be registered against the property without the prior consent in writing of the Mortgagee/Chargee and in the event of breach of this covenant the Mortgagee/Chargee shall be entitled to commence default proceedings.

INSPECTION

THE Mortgagee may, in the event of default by the Mortgagor of any obligation under the Mortgage itself, or by its agent enter upon the subject property and inspect the same and the reasonable costs of such inspection including without limitation an inspection fee of \$300.00 each time shall be forthwith payable by the Mortgagor to the Mortgagee.

ADDITIONAL INTEREST

PROVIDED that for the purpose of calculation of interest any payment received after 1:00 P.M. shall be deemed to have been received on the next following banking day.

NON-TENANCY

The Mortgagor agrees not to rent or lease the whole or any portion of the subject premises without the prior written approval of the Mortgagee.

ADMINISTRATION FEE ON DEFAULT

IF the Mortgagee takes any proceeding pursuant to the Mortgage by reason of the Mortgagor's default the Mortgagee shall be entitled to add to the mortgage debt a service and administration fee of \$500.00 in addition to all other fees, claims or demands to which the Mortgagee is also entitled.

For attending to take possession following default the Mortgagee shall be entitled to charge a fee of \$1,000.00.

For administering maintenance and security of the property in the Mortgagee's possession the Mortgagee shall be entitled to charge \$50.00 per day.

DEFAULT ON PRIOR ENCUMBRANCES

THE Mortgagor agrees that default on any previous mortgages shall constitute default on the within mortgage and legal proceedings may be commenced herein.

PREPAYMENT PROVISIONS

The loan is closed mortgage for first 4 months from mortgage advance date. The Chargor shall have the privilege to repay, in full, from 5th month from mortgage advance date with one month interest bonus.

COMMITMENT LETTER

THE Charge herein is subject to a commitment letter entered into with the Borrower. In the event of any conflict between this Schedule and the Commitment Letter, the Chargee shall have the sole and unfettered right to determine which conflicting provision shall prevail.

CONDOMINIUM PROVISIONS - if applicable

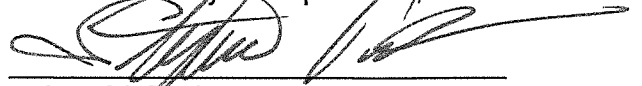
- A. THE CHARGOR(S) covenant(s) and agree(s) at all times and from time to time to observe and perform all duties and obligations imposed upon them by the Condominium Act, and by the Declaration and By-laws, as amended from time to time, of the Condominium Corporation, by virtue of their ownership of the said unit. Any breach of the said duties and obligations shall constitute a breach of covenant under this mortgage. The Chargor(s) further covenant(s) and agree(s) to transmit to the Chargee forthwith upon the demand of the Chargee, satisfactory proof that all common expenses against the said unit have been paid as assessed.
- B. WITHOUT LIMITING the generality of the foregoing, the Chargor(s) covenant(s) and agree(s) that they will promptly, when due, pay any contributions to common expenses required of them as an owner of the said unit, and in the event of their default in doing so, the Chargee, at its option, may pay same and exercise all or any of its rights under the provisions of this Charge whether or not any payment in default has priority to this mortgage or any part of the monies secured hereby.
- C. THE CHARGEES is hereby irrevocably authorized and empowered to exercise the right of the Chargor(s) as an owner of the said unit to vote or to consent in all matters relating to the affairs of the said Corporation, subject to the rights of any prior Chargee, provided that:
 - (a) the Chargee may at any time, or from time to time, give notice in writing to the Chargor(s) and the said Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event, until the Chargee revokes the Chargor(s) may exercise the right to vote. Any such notice

GUARANTOR(S) - if applicable and a party is so named as a Guarantor

Any named Guarantor herein, in consideration of other good and valuable consideration and the sum of FIVE (\$5.00) DOLLARS now paid to me, the receipt whereof is hereby acknowledged:

- A. **HEREBY COVENANTS** and agrees with the Chargee, as a principal debtor and not as surety, to well and truly pay or cause to be paid to the Chargee the principal money, interest, taxes and all other monies which the Chargor has by this Charge covenanted to pay to the Chargee or intended so to be secured, the said payments to be made on the days and times and in the manner provided for in this Charge;
- B. **HEREBY FURTHER COVENANTS** and agrees to keep, observe and perform the covenants, terms, provisos, stipulations and conditions of this Charge which are to be kept, observed and performed by the Chargor and at all times to indemnify, protect and save harmless the Chargee from all loss, costs and damage in respect of the advances of the mortgage money and every matter and thing contained in this Charge;
- C. **HEREBY FURTHER AGREES** that the Chargee may from time to time without notice, extend and/or renew the time for payment of all monies secured by this Charge, amend the terms and times of payment and the rate of interest with respect to the said monies, refrain from enforcing payment of the said monies, release any portion or portions of the mortgaged premises and waive or vary any of the covenants and conditions in this Charge to be kept, observed, and performed by the Chargor and grant any indulgence to the Chargor by the Chargee and grant any indulgence to the Chargor in respect of any default by the Chargor which may arise under this Charge and that notwithstanding any such act by the Chargee, the Guarantor shall be bound by the provisions of this Charge until all of the monies secured under this Charge shall have been fully paid and satisfied;
- D. **HEREBY FURTHER ACKNOWLEDGES** that the Chargee may at any time grant or refuse any additional credit to the Chargor, accept or release or renounce any collateral or other security, administer or otherwise deal with the Property, take an assignment of the rentals with respect to the said lands and premises and apply any and all monies at any time received from the Chargor or from any other person or from the proceeds of any securities given in connection with this Charge in any manner the Chargee may deem appropriate. The Chargee may also utilize any and all insurance proceeds in reduction of the principal monies and interest secured by this Charge or for the refurbishing of the property or in any other manner that the Chargee may in its absolute discretion deem advisable;
- E. **HEREBY FURTHER AGREES** that all of the matters mentioned herein may be performed by the Chargee without notice to the Guarantor without releasing or in any way modifying, altering, varying or in any way affecting the liability of the Guarantor hereunder, and
- F. **HEREBY AGREES** that all of the covenants and agreements of the Guarantor, contained herein are, and shall be binding upon the heirs, executors, trustees and administrators and shall accrue to the benefit of the Chargee, their successors and/or assigns. Where there is more than one Guarantor to the Charge, all such Guarantors hereby covenant, acknowledge and agree that in consideration of the granting of the Charge to the Chargor herein as set out above in this guarantee provision, the guarantee herein by each and every guarantor is deemed to be joint and several.

This is **Exhibit "F"** to the affidavit of
STUART B. TURK
sworn before me this 22nd
day of September, 2023.

A handwritten signature in black ink, appearing to read "Stephen M. Turk", written over a horizontal line.

Stephen M. Turk, a commissioner, etc.

GUARANTEE AND POSTPONEMENT OF CLAIM

TO: 1112396 Ontario Limited

WHEREAS **1112396 Ontario Limited** (the "**Lender**") have advanced funds or are about to advance funds to **Z. Desjardins Holdings Inc.** (the "**Borrower**" or "**Chargor**") and in consideration of your intention to advance the said funds to the Borrower, and other good and valuable consideration and the sum of two dollars (\$2.00), the receipt and sufficiency of which are hereby acknowledged, the undersigned (the "**Covenantor**") hereby jointly and severally declare, covenant and agree as follows:

1. In this Guarantee and Postponement of Claim the following words shall have the meaning as indicated opposite such words:

"**Credit**" - means financial accommodation of any kind whatsoever.

"**Indebtedness**" - means in its broadest sense all obligations of the Borrower to the Lender, alone or with others heretofore or hereafter incurred, whether voluntarily or involuntarily, whether due or not due, whether absolute, inchoate, contingent, liquidated or unliquidated together with interest on each and every such obligation.

2. Without further authorization from or notice to the Covenantor, you may grant Credit and advance funds to the Borrower from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with or without notice to the Covenantor you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Borrower or by any person or persons liable to you of any Indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or reduce the rate of interest thereon, release or add one or more covenants or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or nonexercise by you or any right hereby given you, no failure by you to record, complete or otherwise perfect any securities given by the Borrower or the Covenantor or any person, firm or corporation, no dealing by you with the Borrower or the Covenantor or any person, firm or corporation, no dealing by you with the Borrower or any Covenantor or endorser and no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Covenantor's obligations hereunder or any security furnished by the Covenantor or give the Covenantor any recourse against you.
3. The Covenantor guarantees unconditionally and promises to pay to you or to your order the amount of Indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any Indebtedness of the Borrower hereby guaranteed or in enforcing this Guarantee against the Covenantor and, promise to perform each guaranteed obligation when due.
4. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Borrower, any other Covenantor, any other person, firm or corporation, or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Covenantor of all Indebtedness hereby guaranteed. This Guarantee shall not be determined or affected or your rights thereunder prejudiced by the discontinuance of this Guarantee as to one or more other Covenantor or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of the Borrower, or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of any other Covenantor.

5. Upon this Guarantee bearing the signature of the Covenantor coming into your hands or the hands of any officer, agent or employee thereof the same shall be deemed to be finally executed and delivered by the Covenantor and shall not be subject to or affected by any promise or condition affecting or limiting the Covenantor's liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Covenantor's liability hereunder.
6. No alteration or waiver of this Guarantee or any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of your duly authorized officers in that regard.
7. Until all Indebtedness hereby guaranteed has been paid in full the Covenantor shall not have any right of subrogation unless expressly given the Covenantor in writing by one of your duly authorized officers in that regard.
8. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or moneys received to any portion of the Indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your controlled discretion see fit.
9. No change in the name, objects, share capital, business, membership, directorate powers, organization or management of the Borrower shall in any way affect the obligations of the Covenantor, either with respect to transactions occurring before or after any such change, it being understood that where the Borrower is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Borrower notwithstanding any change or changes in the name or membership of the Borrower's firm, or in the name of the Corporate Borrower, and notwithstanding any reorganization of the Corporate Borrower, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.
10. Where the Borrower is a corporation or partnership or an entity, you shall not be concerned to see or inquire into the powers of the Borrower or its directors, partners or agents acting or purporting to act on its behalf, and credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the Indebtedness hereby guaranteed even though the borrowing or obtaining of such credit was irregularly, fraudulently, defectively or informally effected, or in excess of the powers of the Borrower or of the directors, partners or agents thereof. The Covenantor warrants and represents that he is fully authorized by law to execute this Guarantee to be granted to the Borrower.
11. The statement in writing of any of your authorized officers from time to time of the Indebtedness of the Borrower to you and covered by this Guarantee shall be received as prima facie evidence as against the Covenantor that such amount is at such time so due and payable to you and is covered hereby.
12. All indebtedness, present and future, of the Borrower to the Covenantor is hereby assigned to you and postponed to the present and future Indebtedness of the Borrower to you and all moneys received from the Borrower or for its account by the Covenantor shall be received in trust for you, and forthwith upon receipt, paid over to you until the Borrower's

Indebtedness to you is fully paid and satisfied, all without prejudice to you and without in any way limiting or lessening the liability of the undersigned to you under this Guarantee, If the Borrower is a partnership of which the Covenantor is a member, the Covenantor will not without the prior written consent of one of your duly authorized officers withdraw any capital of the Covenantor invested with the Borrower.

13. Upon the bankruptcy or winding up or other distribution of assets of the Borrower or any surety or Covenantor of any Indebtedness of the Borrower to you, your rights shall not be affected or impaired by your omission to prove your claim and you may prove such claim as you see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the Covenantor liability to you and until all Indebtedness of the Borrower to you has been fully paid to you, you shall have the right to include in your claim the amount of all sums paid by the Covenantor to you under this Guarantee and to prove and rank for such sums paid by the Covenantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you. The Covenantor shall not be released from liability if recovery from the Borrower, any other Covenantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.
14. The Covenantor will file all claims against the Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law upon any Indebtedness of the Borrower to the Covenantor and will assign to you all of the Covenantor's rights thereunder. If the Covenantor does not file any such claim, you, as attorney in fact of the Covenantor, are hereby authorized to do so in the name of the Covenantor or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Covenantor, and to the full extent necessary for that purpose the Covenantor hereby assigns to you all the Covenantor's right to any payments or distributions to which the Covenantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.
15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Covenantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law and, without restricting the generality of the foregoing, if you hold one or more guarantees executed by the Covenantor relating to credit extended to the Borrower by you, the amount of the Covenantor's liability imposed by such other guarantee or guarantees shall be added to the amount of the Covenantor's liability imposed by the provisions hereof and the resulting total shall be the amount of the Covenantor's liability.
16. The Covenantor shall pay to you on demand (in addition to all debts and liabilities of the Borrower hereby guaranteed) all costs, charges and expenses (including without limitation, lawyer's fees as between solicitor and client) incurred by you for the preparation, execution and perfection and enforcement of this Guarantee and of any securities collateral thereto, together with interest calculated from the date of payment by you of each such costs, charges and expenses until payment by the Covenantor hereunder.
17. In case of default you may maintain an action upon this Guarantee whether or not the Borrower is joined therein or separate action is brought against the Borrower or judgment

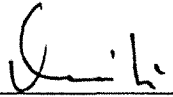
GUARANTORS' CERTIFICATE

TO: 1112396 Ontario Limited

RE: 1112396 Ontario Limited (the "Lender" or "Chargee") mortgage loan (the "Loan") to Z. Desjardins Holdings Inc. (the "Borrower" or "Chargor"), and guaranteed by Zachary Desjardins and Kayla Pacheco (the "Guarantors") secured by a first Charge/Mortgage (the "Charge") over the lands and premises municipally located at 51 Main St N, Exeter, Ontario (the "Property")

The undersigned, being the Guarantors in the above-noted transaction, hereby acknowledge and confirm having had the meaning and import of the terms and provisions of the Charge/Mortgage, the Guarantee and other collateral security documentation provided as part of the credit facilities (the "Security") included therein, explained to them and having had an opportunity to seek independent legal advice prior to the execution of the Security.

DATED at Exeter this 20 day of Aug, 2019.



witness



Zachary Desjardins - Guarantor

witness

Kayla Pacheco - Guarantor

GUARANTORS' CERTIFICATE

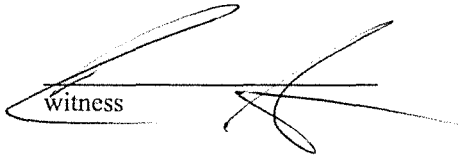
TO: 1112396 Ontario Limited

RE: 1112396 Ontario Limited (the "Lender" or "Chargee") mortgage loan (the "Loan") to Z. Desjardins Holdings Inc. (the "Borrower" or "Chargor"), and guaranteed by Zachary Desjardins and Kayla Pacheco (the "Guarantors") secured by a first Charge/Mortgage (the "Charge") over the lands and premises municipally located at 51 Main St N, Exeter, Ontario (the "Property")

The undersigned, being the Guarantors in the above-noted transaction, hereby acknowledge and confirm having had the meaning and import of the terms and provisions of the Charge/Mortgage, the Guarantee and other collateral security documentation provided as part of the credit facilities (the "Security") included therein, explained to them and having had an opportunity to seek independent legal advice prior to the execution of the Security.

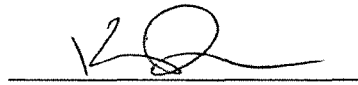
DATED at Exeter this 1 day of July, 2019.

witness



witness

Zachary Desjardins - Guarantor



Kayla Pacheco - Guarantor

**CERTIFICATE OF INDEPENDENT LEGAL REPRESENTATION
AND IDENTIFICATION**

TO: 1112396 Ontario Limited

AND TO: Schwartz & Schwartz PC,
Barristers & Solicitors

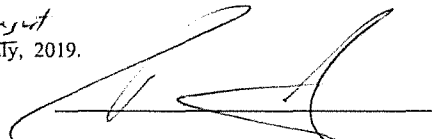
RE: 1112396 Ontario Limited (the "Lender" or "Chargee") mortgage loan (the "Loan") to Z. Desjardins Holdings Inc. (the "Borrower" or "Chargor"), and guaranteed by Zachary Desjardins and Kayla Pacheco (the "Guarantors") secured by a first Charge/Mortgage (the "Charge") over the lands and premises municipally located at 51 Main St N, Exeter, Ontario (the "Property")

Kayla Pacheco, the guarantor named in this transaction, who having been examined by me, acknowledged and declared that she fully understood the nature and effect of the documents relating to the above-noted transaction and that she executed the same as and for her own act and deed, freely and voluntarily and without fear, threat or compulsion.

I acknowledge that the mortgage lender is also relying on me for confirmation as to the true identity of the guarantors. To this end I confirm that I have examined her identification, both picture and signature (copy of driver's licence and picture attached or other current photo ID).

Based on the foregoing I certify to you that Kayla Pacheco, the guarantor appearing before me and who executed a Guarantee and Postponement of Claim to 1112396 Ontario Limited is in fact the guarantor.

DATED at LONDON this 7th August day of July, 2019.


Barrister & Solicitor R. RETCIW

ACKNOWLEDGEMENT OF INDEPENDENT LEGAL REPRESENTATION

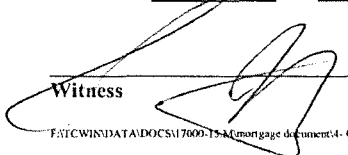
I, Kayla Pacheco, the guarantor named in this transaction, acknowledge that I have retained Rud Retciw, Barrister & Solicitor, for the purpose of acting on our behalf in the subject loan.

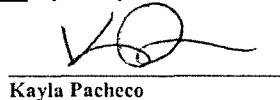
I acknowledge that the said lawyer has explained to me the nature and effect of the documents signed by me and the nature and effect of the security granted to the Lender and has answered all questions raised by me with respect to the transaction.

I acknowledge that prior to the execution of the documents herein, I have been informed that the law firm of Schwartz and Schwartz PC is acting solely as the solicitors for the Lender/Mortgagee, 1112396 Ontario Limited only in this transaction.

I have executed all documents relating to the transaction herein of my own free will.

DATED at LONDON this 7th August day of July, 2019.

Witness


Kayla Pacheco


DIRECTION

TO: 1112396 Ontario Limited

RE: 1112396 Ontario Limited (the "Lender" or "Chargee") mortgage loan (the "Loan") to Z. Desjardins Holdings Inc. (the "Borrower" or "Chargor"), and guaranteed by Zachary Desjardins and Kayla Pacheco (the "Guarantors") secured by a first Charge/Mortgage (the "Charge") over the lands and premises municipally located at 51 Main St N, Exeter, Ontario (the "Property")

**CERTIFICATE OF INDEPENDENT LEGAL REPRESENTATION
AND IDENTIFICATION**

TO: 1112396 Ontario Limited

AND TO: Schwartz & Schwartz PC,
Barristers & Solicitors


RE: 1112396 Ontario Limited (the "Lender" or "Chargee") mortgage loan (the "Loan") to Z. Desjardins Holdings Inc. (the "Borrower" or "Chargor"), and guaranteed by Zachary Desjardins and Kayla Pacheco (the "Guarantors") secured by a first Charge/Mortgage (the "Charge") over the lands and premises municipally located at 51 Main St N, Exeter, Ontario (the "Property")

Zachary Desjardins, the guarantor named in this transaction, who having been examined by me, acknowledged and declared that he fully understood the nature and effect of the documents relating to the above-noted transaction and that he executed the same as and for his own act and deed, freely and voluntarily and without fear, threat or compulsion.

I acknowledge that the mortgage lender is also relying on me for confirmation as to the true identity of the guarantors. To this end I confirm that I have examined his identification, both picture and signature (copy of driver's licence and picture attached or other current photo ID).

Based on the foregoing I certify to you that Zachary Desjardins, the guarantor appearing before me and who executed a Guarantee and Postponement of Claim to 1112396 Ontario Limited is in fact the guarantor.

DATED at Exeter this 2nd day of Aug 2019.



Keith Ian McLean
Barrister & Solicitor

ACKNOWLEDGEMENT OF INDEPENDENT LEGAL REPRESENTATION

I, Zachary Desjardins, the guarantor named in this transaction, acknowledge that I have retained Keith Ian McLean, Barrister & Solicitor, for the purpose of acting on my behalf in the subject loan.

I acknowledge that the said lawyer has explained to me the nature and effect of the documents signed by me and the nature and effect of the security granted to the Lender and has answered

This is **Exhibit "G"** to the affidavit of
STUART B. TURK
sworn before me this 22nd
day of September, 2023.

A handwritten signature in black ink, appearing to read "Stephen M. Turk", written over a horizontal line.

Stephen M. Turk, a commissioner, etc.

Land Registration Reform Act
SET OF STANDARD CHARGE TERMS
 (Electronic Filing)

Filed by
 Dye & Durham Co. Inc.

Filing Date: November 3, 2000

Filing number: 200033

The following Set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1990, c. L.4 as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to the above-noted filing number in such charge shall hereinafter be referred to as the "Charge".

- | | |
|---|--|
| <i>Exclusion of Statutory Covenants</i> | 1. The implied covenants deemed to be included in a charge under subsection 7(1) of the <i>Land Registration Reform Act</i> as amended or re-enacted are excluded from the Charge. |
| <i>Right to Charge the Land</i> | 2. The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge. |
| <i>No Act to Encumber</i> | 3. The Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose. |
| <i>Good Title in Fee Simple</i> | 4. The Chargor, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown. |
| <i>Promise to Pay and Perform</i> | 5. The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same. |
| <i>Interest After Default</i> | 6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land. |
| <i>No Obligation to Advance</i> | 7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Chargor. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable. |
| <i>Costs Added to Principal</i> | 8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable. |
| <i>Power of Sale</i> | 9. The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the <i>Mortgages Act</i> . In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly |

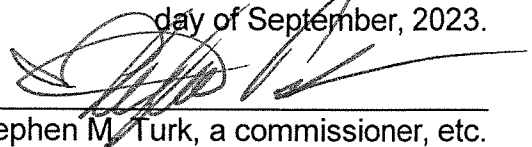
one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

- Quiet Possession* 10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.
- Right to Distrain* 11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.
- Further Assurances* 12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whosoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devises, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.
- Acceleration of Principal and Interest* 13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.
- Unapproved Sale* 14. If the Chargor sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.
- Partial Releases* 15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.
- Obligation to Insure* 16. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.
- Obligation to Repair* 17. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisos, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment

before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.

- Building Charge* 18. If any of the principal amount to be advanced under the Charge is to be used to finance an improvement on the land, the Chargor must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargor must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargor agrees that any improvement shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargor has complied with the holdback provisions of the *Construction Lien Act* as amended or re-enacted. The Chargor authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.
- Extensions not to Prejudice* 19. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so altered over any instrument delivered for registration subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.
- No Merger of Covenants* 20. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgment shall have been fully paid and satisfied.
- Change in Status* 21. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.
- Condominium Provisions* 22. If the Charge is of land within a condominium registered pursuant to the *Condominium Act* (the "Act") the following provisions shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the common expenses for the unit to the corporation on the due dates. If the Chargee decides to collect the Chargor's contribution towards the common expenses from the Chargor, the Chargor will pay the same to the Chargee upon being so notified. The Chargee is authorized to accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction or damage by fire and other perils usually covered in fire insurance policies and against such other perils as the Chargee requires for its full replacement cost (the maximum amount for which it can be insured). The insurance company and the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 16 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.
- Discharge* 23. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or if so requested and if required by law to do so, an assignment of the Charge and all legal and other expenses for preparation, execution and registration, as applicable to such discharge or assignment shall be paid by the Chargor.
- Guarantee* 24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
- (a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.
- (b) Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.
- (c) Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect

This is **Exhibit "H"** to the affidavit of
STUART B. TURK
sworn before me this 22nd
day of September, 2023.

A handwritten signature in black ink, appearing to read 'S. M. Turk', is written over a horizontal line.

Stephen M. Turk, a commissioner, etc.

SECURITY AGREEMENT

For use in PPSA jurisdictions only

For valuable consideration, the undersigned (the "Debtor") agrees with **1112396 Ontario Limited** (the "Secured Party") as follows:

1. **GRANT OF SECURITY:** The Debtor mortgages, charges and assigns to the Secured Party, and the Secured Party takes, a Security Interest in the property described in the following paragraphs of this section (as applicable in accordance with the Note appearing at the end of this section), including among other things (i) any property that may be described in Schedule A and (ii) all property described in any other schedules that the Debtor may from time to time sign and provide to the Secured Party in connection with this Agreement, and in all present and future Accessions to, and all Proceeds of, any such property (collectively, the "Collateral") as a general and continuing collateral security for the due payment and performance of the Liabilities:
 - a. **Specific Personal Property:** the Personal Property described in Schedule A.
 - b. **All Personal Property:** all of the Debtor's present and after-acquired undertaking and Personal Property but excluding Consumer Goods.
 - c. **All Real Property:** all of the Debtor's present and after-acquired real property, together with all buildings placed, installed or erected on any such property, and all fixtures.

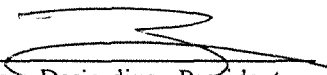
NOTE: Shade in appropriate box or boxes to indicate which paragraphs (a), (b) or (c) are to apply. If no box is shaded, paragraph (b) will apply.

2. **GOVERNING LAW.** This Agreement is governed by the laws of the Province of Ontario.

ADDITIONAL TERMS AND CONDITIONS: THE ADDITIONAL TERMS AND CONDITIONS (INCLUDING ANY SCHEDULES) ON THE FOLLOWING PAGES FORM PART OF THIS AGREEMENT.

The Debtor has signed this Agreement on 11 day of December, 2019

Z. Desjardins Holdings Inc.

Per: 
Zachary Desjardins - President

I have the authority to bind the Corporation.

71146 Bluewater Hwy., R.R. 2
Debtor's Address

Grand Bend, ON N0M 1T0
City/Town, Province and Postal Code

3. **PLACES OF BUSINESS.** The Debtor represents and warrants that the locations of all existing Places of Business are specified in Schedule B and agrees to promptly notify the Secured Party in writing of any additional Places of Business as soon as they are established. The Debtor agrees that, subject to section 5, the Collateral will at all times be kept at the Places of Business, and will not be removed without the Secured Party's prior written consent.
4. **COLLATERAL FREE OF CHARGES.** The Debtor represents and warrants that, except as set forth in Schedule "C", the Collateral is, and agrees that the Collateral will at all times be, free of any Charge or trust except in favour of the Secured Party or incurred with the Secured Party's prior written consent. The Secured Party may, but will have no obligation to, pay any amount or take any action required to remove or redeem any unauthorized Charge, and the Debtor will immediately reimburse the Secured Party for any amount so paid and will indemnify the Secured Party in respect of any action so taken.
5. **USE OF COLLATERAL.** The Debtor will not, without the Secured Party's prior written consent, sell, lease or otherwise dispose of any of the Collateral (other than Inventory, which may be sold, leased or otherwise disposed of in the ordinary course of the Debtor's business). All Proceeds of the Collateral (including among other things all amounts received in respect of Receivables), whether or not arising in the ordinary course of the Debtor's business, will be received by the Debtor as trustee for the Secured Party and will be immediately paid to the Secured Party.
6. **INSURANCE.** The Debtor will keep the Collateral insured to its full insurable value against loss or damage by fire and such other risks as are customarily insured for property similar to the Collateral (and against such other risks as the Secured Party may reasonably require). At the Secured Party's request, all policies in respect of such insurance will contain a loss payable clause, and if the Collateral includes real property, will contain a mortgage clause in favour of the Secured Party, and in any event the Debtor assigns all proceeds of insurance on the Collateral to the Secured Party. The Debtor will, from time to time at the Secured Party's request, deliver such policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but will have no obligation to, do so. The Debtor will immediately reimburse the Secured Party for any amount so paid. The Debtor will promptly give the Secured Party written notice of any loss or damage to all or any part of the Collateral.
7. **INFORMATION AND INSPECTION.** The Debtor will from time to time immediately furnish to the Secured Party in writing all information requested by the Secured Party relating to the Collateral, the Places of Business, and the Debtor's financial or business affairs. The Debtor will promptly advise the Secured Party of the Serial Number, model year, make and model of each Serial Number Good at any time included in the Collateral that is held as Equipment, including in circumstances where the Debtor ceases holding such Serial Number Good as Inventory and begins holding it as Equipment. The Secured Party may from time to time inspect any Books and Records and any Collateral, wherever located, and for that purpose the Secured Party may, without charge, have access to each Place of Business and to all mechanical or electronic equipment, devices and processes where any of them may be stored or from which any of them may be retrieved. The Debtor authorizes any Person holding any Books and Records to make them available to the Secured Party, in a readable form, upon request by the Secured Party.
8. **RECEIVABLES.** If the Collateral includes Receivables, the Secured Party may advise any Person liable to make any payment to the Debtor of the existence of this Agreement, and may from time to time confirm with such Persons the existence and the amount of the Receivables. Upon Default, the Secured Party may collect and otherwise deal with the Receivables in such manner and upon such terms as the Secured Party considers appropriate.
9. **RECEIPTS PRIOR TO DEFAULT.** Until Default, all amounts received by the Secured Party as Proceeds of the Collateral will be applied on account of the Liabilities in such manner and at such times as the Secured Party may consider appropriate or, at the Secured Party's option, may be held unappropriated in a collateral account or released to the Debtor.

10. **DEFAULT.**

- (1) **Events of Default.** The occurrence of any of the following events or conditions will be a Default:
- a. the Debtor does not pay any of the Liabilities when due;
 - b. the Debtor does not observe or perform any of the Debtor's obligations under this Agreement or any other agreement or document existing at any time between the Debtor and the Secured Party;
 - c. any representation, warranty or statement made by or on behalf of the Debtor to the Secured Party is untrue in any material respect at the time when or as of which it is made;
 - d. the Debtor ceases or threatens to cease to carry on in the normal course the Debtor's business or any material part thereof;
 - e. if the Debtor is a corporation, there is, in the Secured Party's reasonable opinion, a change in effective control of the Debtor, or if the Debtor is a partnership, there is a dissolution or change in the membership of the partnership;
 - f. the Debtor becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the *Bankruptcy Act* (Canada) or similar legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Debtor; or, if the Debtor is a corporation, steps are taken under any legislation by or against the Debtor seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
 - g. a Receiver, trustee, custodian or other similar official is appointed in respect of the Debtor or any of the Debtor's property;
 - h. the holder of a Charge takes possession of all or any part of the Debtor's property, or a distress, execution or other similar process is levied against all or any part of such property; or
 - i. the Secured Party in good faith and upon commercially reasonable grounds believes that the prospect of payment or performance is or is about to be impaired or that the Collateral is or is about to be placed in jeopardy.
- (2) **Rights upon Default.** Upon Default, the Secured Party and a Receiver, as applicable, will to the extent permitted by law have the following rights:
- a. **Appointment of Receiver.** The Secured Party may by instrument in writing appoint any Person as a Receiver of all or any part of the Collateral. The Secured Party may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by the Secured Party will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the Debtor's agent. The Secured Party may from time to time fix the Receiver's remuneration and the Debtor will pay the Secured Party the amount of such remuneration. The Secured Party will not be liable to the Debtor or any other Person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions.
 - b. **Dealings with the Collateral.** The Secured Party or a Receiver may take possession of all or any part of the Collateral and retain it for as long as the Secured Party or the Receiver considers appropriate, receive any rents and profits from the Collateral, carry on (or concur in carrying on) all or any part of the Debtor's business or refrain from doing so, borrow on the security of the Collateral, repair the Collateral, process the Collateral, prepare the Collateral for sale, lease or other

disposition, and sell or lease (or concur in selling or leasing) or otherwise dispose of the Collateral on such terms and conditions (including among other things by arrangement providing for deferred payment) as the Secured Party or the Receiver consider appropriate. The Secured or the Receiver may (without charge and to the exclusion of all other Persons including the Debtor) enter upon any Place of Business.

- c. **Realization.** The Secured Party or a Receiver may use, collect, sell, lease or otherwise dispose of, realize upon, release to the Debtor or other Persons, and otherwise deal with the Collateral in such manner, upon such terms (including among other things by arrangement providing for deferred payment) and at such times as the Secured Party or the Receiver considers appropriate, and the Secured Party or the Receiver may make any sale, lease or other disposition of the Collateral in the name of and on behalf of the Debtor or otherwise.
 - d. **Application of Proceeds After Default.** All Proceeds of Collateral received by the Secured Party or a Receiver (which, for the purposes of this paragraph, will be deemed to include amounts or property derived from any collection, disposition or other realization of Collateral) may be applied to discharge or satisfy any expenses (including among other things the Receiver's remuneration and other expenses of enforcing the Secured Party's rights under this Agreement), Charges, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Secured Party or the Receiver to preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Charges on the Collateral ranking in priority to any Charge created by this Agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds will be applied to the Liabilities in such manner and at such times as the Secured Party considers appropriate and thereafter will be accounted for as required by law.
- (3) **Other Legal Rights.** Before and after Default, the Secured Party will have, in addition to the rights specifically provided in this Agreement, the rights of a secured party under the PPSA, as well as the rights recognized at law and in equity. No right will be exclusive of or dependent upon or merge in any other right, and one or more of such rights may be exercised independently or in combination from time to time.
 - (4) **Deficiency.** The Debtor will remain liable to the Secured Party for payment of any Liabilities that are outstanding following realization of all or any part of the Collateral.
11. **SECURED PARTY NOT LIABLE.** The Secured Party will not be liable to the Debtor or any other Person for any failure or delay in exercising any of its rights under this Agreement (including among other things any failure to take possession of, collect, or sell, lease or otherwise dispose of, any Collateral). None of the Secured Party, Receiver or any agent of the Secured Party (including in Alberta, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Chattel Paper, Securities or Instrument in possession of the Secured Party, a Receiver or the Secured Party's agent.
 12. **CHARGES AND EXPENSES.** The Debtor agrees to pay on demand all costs and expenses incurred (including among other things legal fees on a solicitor and client basis) and fees charged by the Secured Party in connection with obtaining or discharging this Agreement or establishing or confirming the priority of the Charges created by this Agreement or by law, compliance with any demand by any Person under the PPSA to amend or discharge any registration relating to this Agreement, and by the Secured Party or any Receiver in exercising any remedy under this Agreement (including among other things preserving, repairing, processing, preparing for disposition and disposing of the Collateral by sale, lease or otherwise) and in carrying on the Debtor's business. All such amounts will bear interest from time to time at the highest interest rate then applicable to any of the Liabilities and the Debtor will reimburse the Secured Party upon demand for any amount so paid.

13. **FURTHER ASSURANCES.** The Debtor will from time to time immediately upon request by the Secured Party take such action (including among other things the signing and delivery of financing statements and financing change statements, other schedules describing property included in the Collateral, further assignments and other documents, and the registration of this Agreement or any other Charge against any of the Debtor's real property) as the Secured Party may require in connection with the Collateral or as the Secured Party may consider necessary to give effect to this Agreement. If permitted by law, the Debtor waives the right to sign or receive a copy of any financing statement or financing change statement, or any statement issued by any registry that confirms any registration of a financing statement or financing change statement, relating to this Agreement. The Debtor irrevocably appoints the Secured Party as the Debtor's attorney (with full powers of substitution and delegation) to sign, upon Default, all documents required to give effect to this section. Nothing in this section affects the right of the Secured Party as a secured party, or any other Person on the Secured Party's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as the Secured Party or such other Person considers appropriate.
14. **DEALINGS BY THE SECURED PARTY.** The Secured Party may from time to time increase, reduce, discontinue or otherwise vary the Debtor's credit facilities, grant extensions of time and other indulgences, take and give up any Charge, abstain from taking, perfecting or registering any Charge, accept compositions, grant releases and discharges and otherwise deal with the Debtor, customers of the Debtor, guarantors and others, and with the Collateral and any Charges held by the Secured Party, as the Secured Party considers appropriate without affecting the Debtor's obligations to the Secured Party or the Secured Party's rights under this Agreement.
15. **DEFINITIONS.** In this Agreement:
- a. "Accessions", "Account", "Chattel Paper", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory", "Proceeds", "Purchase-Money Security Interest" and "Security Interest" have the respective meanings given to them in the PPSA.
 - b. "Books and Records" means all books, records, files, papers, disks, documents and other repositories of data recording, evidencing or relating to the Collateral to which the Debtor (or anyone on the Debtor's behalf) has access.
 - c. "Charge" means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), assignment, financial lease, title retention agreement or arrangement, security interest or other encumbrance of any nature however arising, or any other security agreement or arrangement creating in favour of any creditor a right in respect of a particular property that is prior to the right of any other creditor in respect of such property.
 - d. "Consumer Goods" has the meaning given to it in the PPSA, except that, if this Agreement is governed by the laws of the Yukon, it does not include special consumer goods as that term is defined in the Yukon PPSA.
 - e. "Default" has the meaning set out in subsection 10(1).
 - f. "Liabilities" means all present and future indebtedness and liability of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Secured Party, wherever and however incurred and any unpaid balance thereof.
 - g. "Money" has the meaning given to it in the PPSA or, if there is no such definition, means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada, or by a foreign government as part of its currency.

- h. **"Person"** means any natural person or artificial body (including among others any firm, corporation or government).
- i. **"Personal Property"** means personal property and includes among other things Inventory, Equipment, Receivables, Books and Records, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles (including intellectual property), Money, and Securities, and includes all Accessions to such property.
- j. **"Place of Business"** means a location where the Debtor carries on business or where any of the Collateral is located (including any location described in Schedule B).
- k. **"PPSA"** means the legislation that applies in the province or territory noted in section 2 of this Agreement, as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation) as follows: in the case of Ontario, the *Personal Property Security Act*, R.S.O. 1990 c.P.10; in the case of Alberta, British Columbia, Manitoba, Prince Edward Island, Saskatchewan and the Yukon Territory, the *Personal Property Security Act*, and in the case of any other province or territory, such legislation as deals generally with Charges on personal property.
- l. **"Receivables"** means all debts, claims and choices in action (including among other things Accounts and Chattel Paper) now or in the future due or owing to or owned by the Debtor.
- m. **"Receiver"** means a receiver or a receiver and manager.
- n. **"Securities"** has the meaning given to it in the PPSA or, if there is no such definition and the PPSA defines "security" instead, it means the plural of that term.
- o. **"Serial Number"** means the number that the Person who manufactured or constructed a Serial Number Good permanently marked or attached to it for identification purposes or, if applicable, such other number as the PPSA stipulates as the serial number or vehicle information number to be used for registration purposes of such Serial Number Good.
- p. **"Serial Number Good"** means a motor vehicle, trailer, mobile home, aircraft airframe, aircraft engine or aircraft propeller, boat or an outboard motor for a boat.

16. GENERAL.

- (1) **Reservation of the Last Day of any Lease.** The Charges created by this Agreement do not extend to the last day of the term of any lease or agreement for lease; however, the Debtor will hold such last day in trust for the Secured Party and, upon the exercise by the Secured Party of any of its rights under this Agreement following Default, will assign such last day as directed by the Secured Party.
- (2) **Attachment of Security Interest.** The Security Interest created by this Agreement are intended to attach (a) to existing Collateral when the Debtor signs this Agreement, and (b) to Collateral subsequently acquired by the Debtor, immediately upon the Debtor acquiring any rights in such Collateral. The parties do not intend to postpone the attachment of any Security interest created by this Agreement.
- (3) **Purchase-Money Security Interest.** If the Secured Party gives value for the purpose of enabling the Debtor to acquire rights in or to any of the Collateral, the Debtor will in fact apply such value to acquire those rights (and will provide the Secured Party with such evidence in this regard as the Secured Party may require), and the Debtor grants the Secured Party a Purchase-Money Security Interest in such Collateral to the extent that the value is applied to acquire such rights. A certificate or affidavit of any of the Secured Party's authorized representatives is admissible in evidence to establish the amount of any such value.

- (4) **Description of Collateral in Schedule A.** The fact that box (b) or box (c) of section 1 has been shaded without there being any property described in Schedule A does not affect the nature or validity of the Secured Party's security in the Collateral.
- (5) **Entire Agreement.** The Secured Party has not made any representation or undertaken any obligation in connection with the subject matter of this Agreement other than as specifically set out in this Agreement, and in particular nothing contained in this Agreement will require the Secured Party to make, renew or extend the time for payment of any loan or other credit accommodation to the Debtor or any other Person.
- (6) **Additional Security.** The Charges created by this Agreement are in addition and without prejudice to any other Charge now or later held by the Secured Party. No Charge held by the Secured Party will be exclusive of or dependent upon or merge in any other Charge, and the Secured Party may exercise its rights under such Charges independently or in combination.
- (7) **Joint and Several Liability.** If more than one Person signs this Agreement as the Debtor, the obligations of such Persons will be joint and several.
- (8) **Severability; Headings.** Any provision of this Agreement that is void or unenforceable in any jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions of this Agreement. The headings in this Agreement are for convenience only and do not limit or extend the provisions of this Agreement.
- (9) **Interpretation.** When the context so requires, the singular will be read as the plural, and vice versa.
- (10) **Copy of Agreement.** The Debtor acknowledges receipt of a copy of this Agreement.
- (11) **Waivers.** If this Agreement is governed by the laws of Saskatchewan and the Debtor is a corporation, the Debtor agrees that *The Limitation of Civil Rights Act*, *The Land Contracts (Action) Act* and Part IV (excepting only section 46) of the *Saskatchewan Farm Security Act* do not apply insofar as they relate to actions as defined in those Acts, or insofar as they relate to or affect this Agreement, the rights of the Secured Party under this Agreement, or any instrument, Charge, security agreement or other document of any nature that renews, extends or is collateral to this Agreement.
- (12) **Notice.** The Secured Party may send to the Debtor, by prepaid regular mail addressed to the Debtor at the Debtor's address last known to the Secured Party, copies of any document required by the PPSA to be delivered by the Secured Party to the Debtor. Any document mailed in this manner will be deemed to have been received by the Debtor upon the earlier of actual receipt by the Debtor and the expiry of ten (10) mailing days after the mailing date.
- (13) **Enurement; Assignment.** This Agreement will enure to the benefit of and be binding upon (i) the Secured Party, its successors and assigns, and (ii) the Debtor and the Debtor's heirs, executors, administrators, successors and permitted assigns. The Debtor will not assign this Agreement without the prior written consent of the Secured Party.

SCHEDULE A

The following is a description of property included in the Collateral:

All personal property located at 227 Victoria St., Clinton, ON N0M 1L0

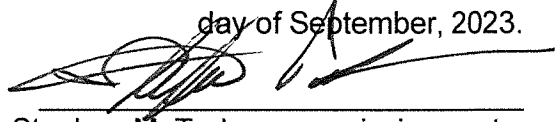
LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON AS IN R308390;
MUNICIPALITY OF CENTRAL HURON

SCHEDULE B

The following are the Places of Business:

1. 227 Victoria St., Clinton, ON N0M 1L0

This is **Exhibit "I"** to the affidavit of
STUART B. TURK
sworn before me this 22nd
day of September, 2023.

A handwritten signature in black ink, appearing to read 'Stephen M. Turk', is written over a horizontal line.

Stephen M. Turk, a commissioner, etc.

SECURITY AGREEMENT

For use in PPSA jurisdictions only

For valuable consideration, the undersigned (the "Debtor") agrees with Community Trust, Trustee for the **1112396 Ontario Limited** (the "Secured Party") as follows:

1. **GRANT OF SECURITY:** The Debtor mortgages, charges and assigns to the Secured Party, and the Secured Party takes, a Security Interest in the property described in the following paragraphs of this section (as applicable in accordance with the Note appearing at the end of this section), including among other things (i) any property that may be described in Schedule A and (ii) all property described in any other schedules that the Debtor may from time to time sign and provide to the Secured Party in connection with this Agreement, and in all present and future Accessions to, and all Proceeds of, any such property (collectively, the "Collateral") as a general and continuing collateral security for the due payment and performance of the Liabilities:
 - a. **Specific Personal Property:** the Personal Property described in Schedule A.
 - b. **All Personal Property:** all of the Debtor's present and after-acquired undertaking and Personal Property but excluding Consumer Goods.
 - c. **All Real Property:** all of the Debtor's present and after-acquired real property, together with all buildings placed, installed or erected on any such property, and all fixtures.

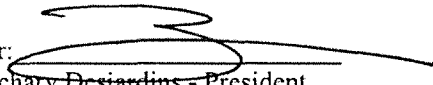
NOTE: Shade in appropriate box or boxes to indicate which paragraphs (a), (b) or (c) are to apply. If no box is shaded, paragraph (b) will apply.

2. **GOVERNING LAW.** This Agreement is governed by the laws of the Province of Ontario.

ADDITIONAL TERMS AND CONDITIONS: THE ADDITIONAL TERMS AND CONDITIONS (INCLUDING ANY SCHEDULES) ON THE FOLLOWING PAGES FORM PART OF THIS AGREEMENT.

The Debtor has signed this Agreement on 8th day of Aug, 2019

Z. Desjardins Holdings Inc.

Per: 
Zachary Desjardins - President

I have the authority to bind the Corporation.

157 Base Line Road West
Debtor's Address

London, Ontario N6J 1V8
City/Town, Province and Postal Code

3. **PLACES OF BUSINESS.** The Debtor represents and warrants that the locations of all existing Places of Business are specified in Schedule B and agrees to promptly notify the Secured Party in writing of any additional Places of Business as soon as they are established. The Debtor agrees that, subject to section 5, the Collateral will at all times be kept at the Places of Business, and will not be removed without the Secured Party's prior written consent.
4. **COLLATERAL FREE OF CHARGES.** The Debtor represents and warrants that, except as set forth in Schedule "C", the Collateral is, and agrees that the Collateral will at all times be, free of any Charge or trust except in favour of the Secured Party or incurred with the Secured Party's prior written consent. The Secured Party may, but will have no obligation to, pay any amount or take any action required to remove or redeem any unauthorized Charge, and the Debtor will immediately reimburse the Secured Party for any amount so paid and will indemnify the Secured Party in respect of any action so taken.
5. **USE OF COLLATERAL.** The Debtor will not, without the Secured Party's prior written consent, sell, lease or otherwise dispose of any of the Collateral (other than Inventory, which may be sold, leased or otherwise disposed of in the ordinary course of the Debtor's business). All Proceeds of the Collateral (including among other things all amounts received in respect of Receivables), whether or not arising in the ordinary course of the Debtor's business, will be received by the Debtor as trustee for the Secured Party and will be immediately paid to the Secured Party.
6. **INSURANCE.** The Debtor will keep the Collateral insured to its full insurable value against loss or damage by fire and such other risks as are customarily insured for property similar to the Collateral (and against such other risks as the Secured Party may reasonably require). At the Secured Party's request, all policies in respect of such insurance will contain a loss payable clause, and if the Collateral includes real property, will contain a mortgage clause in favour of the Secured Party, and in any event the Debtor assigns all proceeds of insurance on the Collateral to the Secured Party. The Debtor will, from time to time at the Secured Party's request, deliver such policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but will have no obligation to, do so. The Debtor will immediately reimburse the Secured Party for any amount so paid. The Debtor will promptly give the Secured Party written notice of any loss or damage to all or any part of the Collateral.
7. **INFORMATION AND INSPECTION.** The Debtor will from time to time immediately furnish to the Secured Party in writing all information requested by the Secured Party relating to the Collateral, the Places of Business, and the Debtor's financial or business affairs. The Debtor will promptly advise the Secured Party of the Serial Number, model year, make and model of each Serial Number Good at any time included in the Collateral that is held as Equipment, including in circumstances where the Debtor ceases holding such Serial Number Good as Inventory and begins holding it as Equipment. The Secured Party may from time to time inspect any Books and Records and any Collateral, wherever located, and for that purpose the Secured Party may, without charge, have access to each Place of Business and to all mechanical or electronic equipment, devices and processes where any of them may be stored or from which any of them may be retrieved. The Debtor authorizes any Person holding any Books and Records to make them available to the Secured Party, in a readable form, upon request by the Secured Party.
8. **RECEIVABLES.** If the Collateral includes Receivables, the Secured Party may advise any Person liable to make any payment to the Debtor of the existence of this Agreement, and may from time to time confirm with such Persons the existence and the amount of the Receivables. Upon Default, the Secured Party may collect and otherwise deal with the Receivables in such manner and upon such terms as the Secured Party considers appropriate.
9. **RECEIPTS PRIOR TO DEFAULT.** Until Default, all amounts received by the Secured Party as Proceeds of the Collateral will be applied on account of the Liabilities in such manner and at such times as the

Secured Party may consider appropriate or, at the Secured Party's option, may be held unappropriated in a collateral account or released to the Debtor.

10. **DEFAULT.**

- (1) **Events of Default.** The occurrence of any of the following events or conditions will be a Default:
- a. the Debtor does not pay any of the Liabilities when due;
 - b. the Debtor does not observe or perform any of the Debtor's obligations under this Agreement or any other agreement or document existing at any time between the Debtor and the Secured Party;
 - c. any representation, warranty or statement made by or on behalf of the Debtor to the Secured Party is untrue in any material respect at the time when or as of which it is made;
 - d. the Debtor ceases or threatens to cease to carry on in the normal course the Debtor's business or any material part thereof;
 - e. if the Debtor is a corporation, there is, in the Secured Party's reasonable opinion, a change in effective control of the Debtor, or if the Debtor is a partnership, there is a dissolution or change in the membership of the partnership;
 - f. the Debtor becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the *Bankruptcy Act* (Canada) or similar legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Debtor; or, if the Debtor is a corporation, steps are taken under any legislation by or against the Debtor seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
 - g. a Receiver, trustee, custodian or other similar official is appointed in respect of the Debtor or any of the Debtor's property;
 - h. the holder of a Charge takes possession of all or any part of the Debtor's property, or a distress, execution or other similar process is levied against all or any part of such property; or
 - i. the Secured Party in good faith and upon commercially reasonable grounds believes that the prospect of payment or performance is or is about to be impaired or that the Collateral is or is about to be placed in jeopardy.
- (2) **Rights upon Default.** Upon Default, the Secured Party and a Receiver, as applicable, will to the extent permitted by law have the following rights:
- a. **Appointment of Receiver.** The Secured Party may by instrument in writing appoint any Person as a Receiver of all or any part of the Collateral. The Secured Party may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by the Secured Party will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the Debtor's agent. The Secured Party may from time to time fix the Receiver's remuneration and the Debtor will pay the Secured Party the amount of such remuneration. The Secured Party will not be liable to the Debtor or any other Person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions.

- b. **Dealings with the Collateral.** The Secured Party or a Receiver may take possession of all or any part of the Collateral and retain it for as long as the Secured Party or the Receiver considers appropriate, receive any rents and profits from the Collateral, carry on (or concur in carrying on) all or any part of the Debtor's business or refrain from doing so, borrow on the security of the Collateral, repair the Collateral, process the Collateral, prepare the Collateral for sale, lease or other disposition, and sell or lease (or concur in selling or leasing) or otherwise dispose of the Collateral on such terms and conditions (including among other things by arrangement providing for deferred payment) as the Secured Party or the Receiver consider appropriate. The Secured or the Receiver may (without charge and to the exclusion of all other Persons including the Debtor) enter upon any Place of Business.
 - c. **Realization.** The Secured Party or a Receiver may use, collect, sell, lease or otherwise dispose of, realize upon, release to the Debtor or other Persons, and otherwise deal with the Collateral in such manner, upon such terms (including among other things by arrangement providing for deferred payment) and at such times as the Secured Party or the Receiver considers appropriate, and the Secured Party or the Receiver may make any sale, lease or other disposition of the Collateral in the name of and on behalf of the Debtor or otherwise.
 - d. **Application of Proceeds After Default.** All Proceeds of Collateral received by the Secured Party or a Receiver (which, for the purposes of this paragraph, will be deemed to include amounts or property derived from any collection, disposition or other realization of Collateral) may be applied to discharge or satisfy any expenses (including among other things the Receiver's remuneration and other expenses of enforcing the Secured Party's rights under this Agreement), Charges, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Secured Party or the Receiver to preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Charges on the Collateral ranking in priority to any Charge created by this Agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds will be applied to the Liabilities in such manner and at such times as the Secured Party considers appropriate and thereafter will be accounted for as required by law.
- (3) **Other Legal Rights.** Before and after Default, the Secured Party will have, in addition to the rights specifically provided in this Agreement, the rights of a secured party under the PPSA, as well as the rights recognized at law and in equity. No right will be exclusive of or dependent upon or merge in any other right, and one or more of such rights may be exercised independently or in combination from time to time.
- (4) **Deficiency.** The Debtor will remain liable to the Secured Party for payment of any Liabilities that are outstanding following realization of all or any part of the Collateral.
11. **SECURED PARTY NOT LIABLE.** The Secured Party will not be liable to the Debtor or any other Person for any failure or delay in exercising any of its rights under this Agreement (including among other things any failure to take possession of, collect, or sell, lease or otherwise dispose of, any Collateral). None of the Secured Party, Receiver or any agent of the Secured Party (including in Alberta, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Chattel Paper, Securities or Instrument in possession of the Secured Party, a Receiver or the Secured Party's agent.
12. **CHARGES AND EXPENSES.** The Debtor agrees to pay on demand all costs and expenses incurred (including among other things legal fees on a solicitor and client basis) and fees charged by the Secured Party in connection with obtaining or discharging this Agreement or establishing or confirming the priority of the Charges created by this Agreement or by law, compliance with any demand by any Person under the PPSA to amend or discharge any registration relating to this Agreement, and by the Secured

Party or any Receiver in exercising any remedy under this Agreement (including among other things preserving, repairing, processing, preparing for disposition and disposing of the Collateral by sale, lease or otherwise) and in carrying on the Debtor's business. All such amounts will bear interest from time to time at the highest interest rate then applicable to any of the Liabilities and the Debtor will reimburse the Secured Party upon demand for any amount so paid.

13. **FURTHER ASSURANCES.** The Debtor will from time to time immediately upon request by the Secured Party take such action (including among other things the signing and delivery of financing statements and financing change statements, other schedules describing property included in the Collateral, further assignments and other documents, and the registration of this Agreement or any other Charge against any of the Debtor's real property) as the Secured Party may require in connection with the Collateral or as the Secured Party may consider necessary to give effect to this Agreement. If permitted by law, the Debtor waives the right to sign or receive a copy of any financing statement or financing change statement, or any statement issued by any registry that confirms any registration of a financing statement or financing change statement, relating to this Agreement. The Debtor irrevocably appoints the Secured Party as the Debtor's attorney (with full powers of substitution and delegation) to sign, upon Default, all documents required to give effect to this section. Nothing in this section affects the right of the Secured Party as a secured party, or any other Person on the Secured Party's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as the Secured Party or such other Person considers appropriate.
14. **DEALINGS BY THE SECURED PARTY.** The Secured Party may from time to time increase, reduce, discontinue or otherwise vary the Debtor's credit facilities, grant extensions of time and other indulgences, take and give up any Charge, abstain from taking, perfecting or registering any Charge, accept compositions, grant releases and discharges and otherwise deal with the Debtor, customers of the Debtor, guarantors and others, and with the Collateral and any Charges held by the Secured Party, as the Secured Party considers appropriate without affecting the Debtor's obligations to the Secured Party or the Secured Party's rights under this Agreement.
15. **DEFINITIONS.** In this Agreement:
 - a. "Accessions", "Account", "Chattel Paper", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory", "Proceeds", "Purchase-Money Security Interest" and "Security Interest" have the respective meanings given to them in the PPSA.
 - b. "Books and Records" means all books, records, files, papers, disks, documents and other repositories of data recording, evidencing or relating to the Collateral to which the Debtor (or anyone on the Debtor's behalf) has access.
 - c. "Charge" means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), assignment, financial lease, title retention agreement or arrangement, security interest or other encumbrance of any nature however arising, or any other security agreement or arrangement creating in favour of any creditor a right in respect of a particular property that is prior to the right of any other creditor in respect of such property.
 - d. "Consumer Goods" has the meaning given to it in the PPSA, except that, if this Agreement is governed by the laws of the Yukon, it does not include special consumer goods as that term is defined in the Yukon PPSA.
 - e. "Default" has the meaning set out in subsection 10(1).

- f. “**Liabilities**” means all present and future indebtedness and liability of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Secured Party, wherever and however incurred and any unpaid balance thereof.
- g. “**Money**” has the meaning given to it in the PPSA or, if there is no such definition, means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada, or by a foreign government as part of its currency.
- h. “**Person**” means any natural person or artificial body (including among others any firm, corporation or government).
- i. “**Personal Property**” means personal property and includes among other things Inventory, Equipment, Receivables, Books and Records, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles (including intellectual property), Money, and Securities, and includes all Accessions to such property.
- j. “**Place of Business**” means a location where the Debtor carries on business or where any of the Collateral is located (including any location described in Schedule B).
- k. “**PPSA**” means the legislation that applies in the province or territory noted in section 2 of this Agreement, as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation) as follows: in the case of Ontario, the *Personal Property Security Act*, R.S.O. 1990 c.P.10; in the case of Alberta, British Columbia, Manitoba, Prince Edward Island, Saskatchewan and the Yukon Territory, the *Personal Property Security Act*; and in the case of any other province or territory, such legislation as deals generally with Charges on personal property.
- l. “**Receivables**” means all debts, claims and choices in action (including among other things Accounts and Chattel Paper) now or in the future due or owing to or owned by the Debtor.
- m. “**Receiver**” means a receiver or a receiver and manager.
- n. “**Securities**” has the meaning given to it in the PPSA or, if there is no such definition and the PPSA defines “security” instead, it means the plural of that term.
- o. “**Serial Number**” means the number that the Person who manufactured or constructed a Serial Number Good permanently marked or attached to it for identification purposes or, if applicable, such other number as the PPSA stipulates as the serial number or vehicle information number to be used for registration purposes of such Serial Number Good.
- p. “**Serial Number Good**” means a motor vehicle, trailer, mobile home, aircraft airframe, aircraft engine or aircraft propeller, boat or an outboard motor for a boat.

16. GENERAL.

- (1) **Reservation of the Last Day of any Lease.** The Charges created by this Agreement do not extend to the last day of the term of any lease or agreement for lease; however, the Debtor will hold such last day in trust for the Secured Party and, upon the exercise by the Secured Party of any of its rights under this Agreement following Default, will assign such last day as directed by the Secured Party.
- (2) **Attachment of Security Interest.** The Security Interest created by this Agreement are intended to attach (a) to existing Collateral when the Debtor signs this Agreement, and (b) to Collateral

subsequently acquired by the Debtor, immediately upon the Debtor acquiring any rights in such Collateral. The parties do not intend to postpone the attachment of any Security interest created by this Agreement.

- (3) **Purchase-Money Security Interest.** If the Secured Party gives value for the purpose of enabling the Debtor to acquire rights in or to any of the Collateral, the Debtor will in fact apply such value to acquire those rights (and will provide the Secured Party with such evidence in this regard as the Secured Party may require), and the Debtor grants the Secured Party a Purchase-Money Security Interest in such Collateral to the extent that the value is applied to acquire such rights. A certificate or affidavit of any of the Secured Party's authorized representatives is admissible in evidence to establish the amount of any such value.
- (4) **Description of Collateral in Schedule A.** The fact that box (b) or box (c) of section 1 has been shaded without there being any property described in Schedule A does not affect the nature or validity of the Secured Party's security in the Collateral.
- (5) **Entire Agreement.** The Secured Party has not made any representation or undertaken any obligation in connection with the subject matter of this Agreement other than as specifically set out in this Agreement, and in particular nothing contained in this Agreement will require the Secured Party to make, renew or extend the time for payment of any loan or other credit accommodation to the Debtor or any other Person.
- (6) **Additional Security.** The Charges created by this Agreement are in addition and without prejudice to any other Charge now or later held by the Secured Party. No Charge held by the Secured Party will be exclusive of or dependent upon or merge in any other Charge, and the Secured Party may exercise its rights under such Charges independently or in combination.
- (7) **Joint and Several Liability.** If more than one Person signs this Agreement as the Debtor, the obligations of such Persons will be joint and several.
- (8) **Severability; Headings.** Any provision of this Agreement that is void or unenforceable in any jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions of this Agreement. The headings in this Agreement are for convenience only and do not limit or extend the provisions of this Agreement.
- (9) **Interpretation.** When the context so requires, the singular will be read as the plural, and vice versa.
- (10) **Copy of Agreement.** The Debtor acknowledges receipt of a copy of this Agreement.
- (11) **Waivers.** If this Agreement is governed by the laws of Saskatchewan and the Debtor is a corporation, the Debtor agrees that *The Limitation of Civil Rights Act*, *The Land Contracts (Action) Act* and Part IV (excepting only section 46) of the *Saskatchewan Farm Security Act* do not apply insofar as they relate to actions as defined in those Acts, or insofar as they relate to or affect this Agreement, the rights of the Secured Party under this Agreement, or any instrument, Charge, security agreement or other document of any nature that renews, extends or is collateral to this Agreement.
- (12) **Notice.** The Secured Party may send to the Debtor, by prepaid regular mail addressed to the Debtor at the Debtor's address last known to the Secured Party, copies of any document required by the PPSA to be delivered by the Secured Party to the Debtor. Any document mailed in this manner will be deemed to have been received by the Debtor upon the earlier of actual receipt by the Debtor and the expiry of ten (10) mailing days after the mailing date.

(13) **Enurement; Assignment.** This Agreement will enure to the benefit of and be binding upon (i) the Secured Party, its successors and assigns, and (ii) the Debtor and the Debtor's heirs, executors, administrators, successors and permitted assigns. The Debtor will not assign this Agreement without the prior written consent of the Secured Party.

SCHEDULE A

The following is a description of property included in the Collateral:

All personal property located at 51 Main St N, Exeter, Ontario N0M 1S3

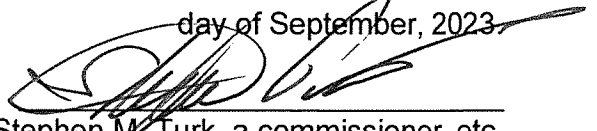
CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376, SAVE AND EXCEPT HWP1875 EXETER; MUNICIPALITY OF SOUTH HURON

SCHEDULE B

The following are the Places of Business:

1. 51 Main St N, Exeter, Ontario N0M 1S3

This is Exhibit "J" to the affidavit of
STUART B. TURK
sworn before me this 22nd
day of September, 2023.



Stephen M. Turk, a commissioner, etc.

TO: the parties shown on Schedule "A"

NOTICE OF SALE UNDER MORTGAGE

TAKE NOTICE that default has been made in payment of moneys due under a certain mortgage registered on the 11th day of December, 2019, in the Land Registry Office for the Land Titles Division of the County of Huron (No. 22) as Instrument HC144417

BETWEEN :

Z. DESJARDINS HOLDINGS INC.
MORTGAGOR

and

ZACHARY DESJARDINS
GUARANTOR

and

1112396 ONTARIO LIMITED
MORTGAGEE

on the security of those lands and premises described as LT 1221 PL 339 CLINTON; LT 1222 PL 339 CLINTON; PT LT 1223 PL 339 CLINTON AS IN R308390; MUNICIPALITY OF CENTRAL HURON being all of PIN 41176-0057.

AND we hereby give you notice that the amount now due on the mortgage for principal money, interest, taxes, insurance premiums, common expenses, prior mortgage arrears and costs, respectively, are made up as follows:

Principal	\$1,175,000.00
Interest to May 1, 2023	\$51,250.02
Interest to May 10, 2023	\$3,219.20
Demand letter and BIA Notice	\$565.00
Statement Fees	\$1,186.50
PPSA Renewals	\$226.00
Filing Fee for PPSA filings	\$74.20
Costs (such costs being for the preparation and service of this notice and inclusive of HST)	\$2,973.25
TOTAL	<u>\$1,234,494.17</u>

AND unless the said sums are paid on or before the 19th day of June, 2023, we shall sell the property covered by the said mortgage under the provisions contained in it.

This notice is given to you as you appear to have an interest in the mortgaged property and may be entitled to redeem the same.

DATED AT Toronto the 10th day of May, 2023.

1112396 ONTARIO LIMITED
by its Solicitors
SCHWARTZ & SCHWARTZ
Professional Corporation
258 Wilson Avenue
Toronto, Ontario
M3H 1S6

Per: 
Jeffrey J. Schwartz

Schedule "A"

TO:	Z. Desjardins Holdings Inc. 227 Victoria Street Clinton, Ontario N0M 1L0
AND TO:	Z. Desjardins Holdings Inc. 71146 Bluewater Highway R.R. #2 Grand Bend, Ontario N0M 1T0
AND TO:	Zachary Desjardins 812-325 Southdale Road West London, Ontario N6J 4Y8
AND TO:	Blueberry Records Inc. 7601 Jane Street Concord, Ontario L4K 1X2
AND TO:	Stanart Holdings Inc. 26 Imperial Street Toronto, Ontario M5P 1C2
AND TO:	Falvo Holdings Limited 323 Deerhurst Drive Brampton, Ontario L6T 5K3
AND TO:	1917171 Ontario Inc. 238 Melissa Lane Tay, Ontario L9M 0T8
AND TO:	G.R. Wilfong & Son Limited 1265 Doon Village Road Kitchener, Ontario N2P 1A8

TO: the parties shown on Schedule "A"

NOTICE OF SALE UNDER MORTGAGE

TAKE NOTICE that default has been made in payment of moneys due under a certain mortgage registered on the 9th day of August, 2019, in the Land Registry Office for the Land Titles Division of the County of Huron (No. 22) as Instrument HC141429

B E T W E E N :

Z. DESJARDINS HOLDINGS INC.
MORTGAGOR

and

ZACHARY DESJARDINS
GUARANTOR

and

1112396 ONTARIO LIMITED
MORTGAGEE

on the security of those lands and premises described as CONSOLIDATION OF VARIOUS PROPERTIES; LOTS 795, 796, 797 AND 798 PL 376, SAVE AND EXCEPT HWP1875 EXETER; MUNICIPALITY OF SOUTH HURON being all of PIN 41236-0117

AND we hereby give you notice that the amount now due on the mortgage for principal money, interest, taxes, insurance premiums, common expenses, prior mortgage arrears and costs, respectively, are made up as follows:

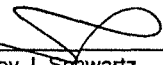
Principal	\$1,700,000.00
Interest to May 1, 2023	\$71,713.15
Interest to May 10, 2023	\$4,657.50
Demand letter and BIA Notice	\$565.00
Statement Fees	\$1,186.50
PPSA Renewals	\$226.00
Filing Fee for PPSA filings	\$90.20
Costs (such costs being for the preparation and service of this notice and inclusive of HST)	\$3,008.83
TOTAL	<u>\$1,781,447.18</u>

AND unless the said sums are paid on or before the 19th day of June, 2023, we shall sell the property covered by the said mortgage under the provisions contained in it.

This notice is given to you as you appear to have an interest in the mortgaged property and may be entitled to redeem the same.

DATED AT Toronto the 10th day of May, 2023.

1112396 ONTARIO LIMITED
by its Solicitors
SCHWARTZ & SCHWARTZ
Professional Corporation
258 Wilson Avenue
Toronto, Ontario
M3H 1S6

Per: 
Jeffrey J. Schwartz

Schedule "A"

TO:	Z. Desjardins Holdings Inc. 51 Main Street North Exeter, Ontario N0M 1S3
AND TO:	Z. Desjardins Holdings Inc. 71146 Bluewater Highway R.R. #2 Grand Bend, Ontario N0M 1T0
AND TO:	Z. Desjardins Holdings Inc. 157 Baseline Road West London, Ontario N6K 1V8
AND TO:	Zachary Desjardins 812-325 Southdale Road West London, Ontario N6J 4Y8
AND TO:	Blueberry Records Inc. 7601 Jane Street Concord, Ontario L4K 1X2
AND TO:	Stanart Holdings Inc. 26 Imperial Street Toronto, Ontario M5P 1C2
AND TO:	Falvo Holdings Limited 323 Deerhurst Drive Brampton, Ontario L6T 5K3
AND TO:	Hensall District Co-Operative, Incorporated 1 Davidson Drive Box 1 Hensall, Ontario N0M 1X0
AND TO:	G.R. Wilfong & Son Limited 1265 Doon Village Road Kitchener, Ontario N2P 1A8

**NOTICE PURSUANT TO SECTION 63(4) OF THE
PERSONAL PROPERTY SECURITY ACT**

TO: Those persons set forth on Schedule "A" annexed hereto

TAKE NOTICE that default has been made in the payment of monies secured under a General Security Agreement dated December 11, 2019, granted by **Z. DESJARDINS HOLDINGS INC.** (the "Debtor") to **1112396 ONTARIO LIMITED** (the "Lender") in respect of which a financing statement was registered pursuant to the *Personal Property Security Act* (Ontario) (the "PPSA") on December 11, 2019 as Registration No. 20191211 1013 1590 2525.

The collateral covered by the Security comprises all of the Debtor's undertaking and personal property (excluding Consumer Goods, as that term is defined in the PPSA) including but not limited to Inventory, Equipment, Receivables, Books and Records, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles (including intellectual property), Money and Securities and all Accessions (as those terms are defined in the PPSA or the Security, as the case may be) to such property (collectively, the "Collateral").

AND TAKE NOTICE that the Lender intends to dispose of the Collateral unless redeemed.

1. The amount required to satisfy the obligations secured by the Security as at June 20, 2023 is the sum of **\$1,277,191.47** for principal, charges, interest, costs, plus costs herein.
2. The estimated expenses of the Lender in taking, holding, preparing for disposition and disposing of the Collateral is \$50,000.00.
3. Upon receipt of payment, the payer will be credited with any rebates or allowances to which the Debtor may be entitled.
4. The Lender hereby gives you notice that upon payment of the amounts due as above-described together with additional interest accrued and expenses actually incurred to the date of payment you may redeem the Collateral.

5. Unless payment is received by the earlier of 15 days from the date you actually receive this notice or 25 days after this notice is served upon you by registered mail, the Lender will dispose of the Collateral by private sale, public tender, public auction and the Debtor as well as any other person liable for payment of the obligations secured, will be liable for any deficiency.

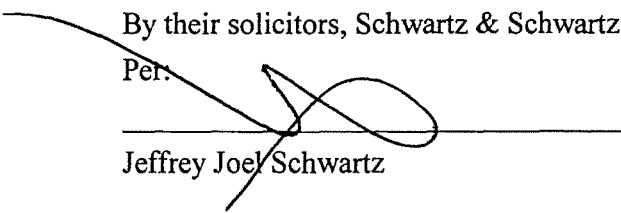
This notice is given to you because you may have an interest in the Collateral and you may be entitled to redeem the same.

DATED at Toronto this 21st day of June, 2023.

1112396 ONTARIO LIMITED

By their solicitors, Schwartz & Schwartz PC

Per:



Jeffrey Joel Schwartz

SCHEDULE "A"

TO:

Z. Desjardins Holdings Inc.

227 Victoria Street

Clinton, Ontario

N0M 1L0

AND TO:

Z. Desjardins Holdings Inc.

71146 Bluewater Highway

RR #2

Grand Bend, Ontario

N0M 1T0

AND TO:

Z. Desjardins Holdings Inc.

51 Main Street North

Exeter, Ontario

N0M 1S3

AND TO:

Z. Desjardins Holdings Inc.

157 Baseline Road West

London, Ontario

N6K 1V8

AND TO:

Equirex, A Division of Bennington Financial Corp.

101-1465 North Service Road East

Oakville, Ontario

L6H 1A7

AND TO:

Royal Bank of Canada

36 York Mill's Road

4th Floor

Toronto, Ontario

M2P 0A4

AND TO:

Oxford Leaseway Ltd.

1249 Hyde Park Road

London, Ontario

N6H 5K6

**NOTICE PURSUANT TO
SECTION 63(4) OF THE
*PERSONAL PROPERTY SECURITY ACT***

SCHWARTZ & SCHWARTZ PC

Barristers and Solicitors

258 Wilson Avenue

Toronto, Ontario

M3H 1S6

Jeffrey Joel Schwartz

(416) 636-1949

Solicitors for

1112396 ONTARIO LIMITED

**NOTICE PURSUANT TO SECTION 63(4) OF THE
PERSONAL PROPERTY SECURITY ACT**

TO: Those persons set forth on Schedule "A" annexed hereto

TAKE NOTICE that default has been made in the payment of monies secured under a General Security Agreement dated August 8, 2019, granted by **Z. DESJARDINS HOLDINGS INC.** (the "Debtor") to **1112396 ONTARIO LIMITED** (the "Lender") in respect of which a financing statement was registered pursuant to the *Personal Property Security Act* (Ontario) (the "PPSA") on September 6, 2022 as Registration No. 20220906 1131 1590 8828.

The collateral covered by the Security comprises all of the Debtor's undertaking and personal property (excluding Consumer Goods, as that term is defined in the PPSA) including but not limited to Inventory, Equipment, Receivables, Books and Records, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles (including intellectual property), Money and Securities and all Accessions (as those terms are defined in the PPSA or the Security, as the case may be) to such property (collectively, the "Collateral").

AND TAKE NOTICE that the Lender intends to dispose of the Collateral unless redeemed.

1. The amount required to satisfy the obligations secured by the Security as at June 20, 2023 is the sum of **\$1,834,246.73** for principal, charges, interest, costs, plus costs herein.
2. The estimated expenses of the Lender in taking, holding, preparing for disposition and disposing of the Collateral is \$50,000.00.
3. Upon receipt of payment, the payer will be credited with any rebates or allowances to which the Debtor may be entitled.
4. The Lender hereby gives you notice that upon payment of the amounts due as above-described together with additional interest accrued and expenses actually incurred to the date of payment you may redeem the Collateral.

5. Unless payment is received by the earlier of 15 days from the date you actually receive this notice or 25 days after this notice is served upon you by registered mail, the Lender will dispose of the Collateral by private sale, public tender, public auction and the Debtor as well as any other person liable for payment of the obligations secured, will be liable for any deficiency.

This notice is given to you because you may have an interest in the Collateral and you may be entitled to redeem the same.

DATED at Toronto this 20th day of June, 2023.

1112396 ONTARIO LIMITED

By their solicitors, Schwartz & Schwartz PC

Per:



Jeffrey Joel Schwartz

SCHEDULE "A"

TO:
Z. Desjardins Holdings Inc.
227 Victoria Street
Clinton, Ontario
N0M 1L0

AND TO:
Z. Desjardins Holdings Inc.
71146 Bluewater Highway
RR #2
Grand Bend, Ontario
N0M 1T0

AND TO:
Z. Desjardins Holdings Inc.
51 Main Street North
Exeter, Ontario
N0M 1S3

AND TO:

Z. Desjardins Holdings Inc.

157 Baseline Road West

London, Ontario

N6K 1V8

AND TO:

Equirex, A Division of Bennington Financial Corp.

101-1465 North Service Road East

Oakville, Ontario

L6H 1A7

AND TO:

Royal Bank of Canada

36 York Mills Road

4th Floor

Toronto, Ontario

M2P 0A4

AND TO:

Oxford Leaseway Ltd.

1249 Hyde Park Road

London, Ontario

N6H 5K6

**NOTICE PURSUANT TO
SECTION 63(4) OF THE
*PERSONAL PROPERTY SECURITY ACT***

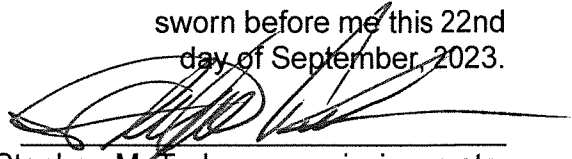
SCHWARTZ & SCHWARTZ PC

Barristers and Solicitors
258 Wilson Avenue
Toronto, Ontario
M3H 1S6

Jeffrey Joel Schwartz
(416) 636-1949

Solicitors for
1112396 ONTARIO LIMITED

This is **Exhibit "K"** to the affidavit of
STUART B. TURK
sworn before me this 22nd
day of September, 2023.



Stephen M. Turk, a commissioner, etc.

From: Rod Refcio <RRefcio@rrlaw.ca>

Sent: July 4, 2023 2:12 PM

To: Jeffrey Schwartz <jeffrey@schwartzandschwartz.ca>

Cc: Will Chapman <wchapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>; Rebecca LeGras <rlegras@rrlaw.ca>; Denise Peterson <dpeterson@rrlaw.ca>

Subject: RE: Zach Desjardins - Mortgages

Importance: High

Hello Jeffrey,

I acknowledge receipt of your email.

I confirm that we are in agreement with respect to the terms of interim settlement and we have now completed the corresponding wire transfer of \$40,000.00 to your Firm's trust account and I have attached our corresponding wire transfer confirmation.

Please confirm your receipt of this email, the attachment and the funds.

Regards,

- Rod

Rod R. Refcio
CEO, Senior Lawyer
Refcio & Associates
Barristers and Solicitors
www.rrlaw.ca



REFCIO & ASSOCIATES
The Business of Law

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From: Jeffrey Schwartz <jeffrey@schwartzandschwartz.ca>

Sent: June 30, 2023 2:32 PM

To: Rod Refcio <RRefcio@rrlaw.ca>

Cc: Will Chapman <WChapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>; Rebecca LeGras

<rlegras@rrlaw.ca>

Subject: RE: Zach Desjardins - Mortgages

Receipt is acknowledged and the contents passed along to the lender.

Lender has instructed us to confirm their agreement to accept the funds now with your reservation on review of the statements over the next couple of weeks.

There is no reason why the wire could not be effected today.

Jeffrey J. Schwartz
Schwartz & Schwartz
Professional Corporation
258 Wilson Avenue
Toronto, Ontario
M3H 1S6
PH: 416-636-1949
FX: 416-636-3431

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From: Rod Refcio <RRefcio@rrlaw.ca>

Sent: June 30, 2023 2:12 PM

To: Jeffrey Schwartz <jeffrey@schwartzandschwartz.ca>

Cc: Will Chapman <wchapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>; Rebecca LeGras <rlegras@rrlaw.ca>

Subject: RE: Zach Desjardins - Mortgages

Importance: High

WITHOUT PREJUDICE & FOR DISCUSSION PURPOSES ONLY

Hello Jeffrey,

I acknowledge receipt of your email and thank you for same.

At present, we cannot determine the accuracy of the statements that you have provided.

Notwithstanding the aforesaid, we are prepared to provide the \$40,000.00 in total, to be applied equally (\$20,000.00 each), in exchange for the forbearance until August 9th, 2023 and effectively a sign of good faith to your client so as to avoid each party incurring additional legal costs in the interim.

We expect to be able to complete a review of your provided statements with our client and all corresponding supporting documentation within the next couple of weeks and will follow up with you accordingly thereafter.

If your client is agreeable with the aforesaid then we will proceed with the transfer of funds to your Firm's trust account upon your confirmation of same, but delivery may occur on Tuesday after the holiday long weekend.

Please confirm your receipt of this email and let me know if you have any questions.

Regards,

- Rod

Rod R. Refcio
CEO, Senior Lawyer
Refcio & Associates
Barristers and Solicitors
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From: Jeffrey Schwartz <jeffrey@schwartzandschwartz.ca>
Sent: June 30, 2023 9:42 AM
To: Rod Refcio <RRefcio@rrlaw.ca>
Cc: Will Chapman <WChapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>; Rebecca LeGras <rlegras@rrlaw.ca>
Subject: RE: Zach Desjardins - Mortgages

In principal, we are agreed subject to clarification.

We require your clarification on your point #3. You state the payment of \$20,000 is credited "towards each mortgage on amounts due and properly owing"

As you had requested in an earlier email, we provided statements on June 26, outlining the amounts due for the mortgage debt and legal costs, as of August 3 with per diem to August 9. We require that you confirm that the amounts set out for each mortgage and costs as reflected in these statements are acknowledged and confirmed as properly owing by the borrower and guarantor.

On that basis we have an agreement and once you so confirm, you can arrange to wire the funds to our trust – we have provided you with our banking info already.

Until such confirmation and receipt of the funds, the proceedings and rights of the lender continue without any forbearance.

Lender is expecting us to be in funds from you by mid-day (you have already confirmed you are holding funds) so we can arrange a transfer to them before the weekend.

Jeffrey J. Schwartz
Schwartz & Schwartz
Professional Corporation
258 Wilson Avenue
Toronto, Ontario
M3H 1S6
PH: 416-636-1949
FX: 416-636-3431

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From: Rod Refcio <RRefcio@rrlaw.ca>
Sent: June 29, 2023 10:17 PM
To: Jeffrey Schwartz <jeffrey@schwartzandschwartz.ca>
Cc: Will Chapman <wchapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>; Rebecca LeGras <rlegras@rrlaw.ca>
Subject: RE: Zach Desjardins - Mortgages
Importance: High

WITHOUT PREJUDICE & FOR DISCUSSION PURPOSES ONLY

Hi Jeffrey,

Please be advised that our client has now instructed us to advise you that our client would be agreeable to the following interim settlement terms:

1. Payment of the \$40,000.00 is on a without prejudice basis to the enforcement proceedings taken. The lender will accept the payment as consideration for a forbearance of the right to continue the enforcement proceedings. The forbearance expires 5PM August 9, 2023.
2. No defence would be required on the issued and served Statements of Claim until August 9. Defences to both claims would be immediately due if payout does not happen by 5PM on that date. After the forbearance expires, Lender shall be entitled to continue enforcement.
3. The funds being delivered for this interim forbearance will be applied as a credit of \$20,000.00 towards each mortgage on amounts due and properly owing.
4. On the date of payout in full of the mortgage debt and costs, your client shall consent to have the actions dismissed and the Notices under mortgage and PPSA will be deemed functus.

If your client is agreeable with the aforesaid then we will proceed with the transfer of funds to your Firm's trust account upon your confirmation of same.

Please confirm your receipt of this email and let me know if you have any questions.

Regards,

- Rod

Rod R. Refcio
CEO, Senior Lawyer
Refcio & Associates
Barristers and Solicitors
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From: Jeffrey Schwartz <jeffrey@schwartzandschwartz.ca>

Sent: June 26, 2023 10:32 AM

To: Rod Refcio <RRefcio@rrlaw.ca>

Cc: Will Chapman <WChapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>; Rebecca LeGras <rlegras@rrlaw.ca>

Subject: RE: Zach Desjardins - Mortgages

Continuing and relying on our without prejudice exchanges, I have been instructed to provide you with the updated statements you requested on Friday that now reflect credits of funds for each of the mortgages and their legal accounts as well as calculating interest to August 2nd, with their per diems up to August 9th.

Our client is expecting immediate confirmation by email, of the arrangements outlined in our reply to your email on Friday and is expecting funds to be deposited to our trust today. Accordingly, attached as well is our firm trust details. Any funds provided by wire or direct deposit require us to receive confirmation of your deposit and, if by certified cheque or draft, a copy for our accounting.

Regards,

Jeffrey J. Schwartz
Schwartz & Schwartz
Professional Corporation
258 Wilson Avenue
Toronto, Ontario
M3H 1S6
PH: 416-636-1949
FX: 416-636-3431

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From: Jeffrey Schwartz <jeffrey@schwartzandschwartz.ca>
Sent: June 23, 2023 5:10 PM
To: 'Rod Refcio' <rrefcio@rrlaw.ca>
Cc: 'Will Chapman' <wchapman@rrlaw.ca>; 'Anne Oakley' <aoakley@rrlaw.ca>; 'Rebecca LeGras' <rlegras@rrlaw.ca>
Subject: RE: Zach Desjardins - Mortgages

WITHOUT PREJUDICE

This has been forwarded to the client. Their position and instructions in replay as follows:

1. Acceptance of the \$40,000.00 is on a without prejudice basis to the enforcement proceedings taken. In this regard, the Notice of Sale under Mortgage issued and expired, and Notice of Sale under the Personal Property Security Act that was served earlier this week, are both to be acknowledged as valid and enforceable. The lender will accept the payment as consideration for a forbearance of the right to continue the enforcement proceedings. The forbearance expires 5PM August 9, 2023.
2. The Lender has instructed us to confirm that no defence would be required on the issued and served Statements of Claim until August 9. Defences to both claims would be immediately due if payout does not happen by 5PM on that date. After the forbearance expires, Lender shall be entitled to continue enforcements on the properties pursuant to their rights under the Mortgage and PPSA.
3. The funds being delivered by you for this forbearance will be applied \$5,000 for each mortgage, on account of legal fees and disbursements that are reflected on the Statements you were provided with last week. The Lender will apply the remaining \$15,000 towards arrears on each mortgage loan.
4. The previously issued Mortgage Statements and Legal Account Statements that were effective June 23 (your date) are to be acknowledged as correct. Both will be updated after the weekend per your request, with an effective date of August 2, 2023 and per diem thereafter. These updated statements will be time-limited to 5PM August 9, 2023. Each of the Legal Account Statements previously provided will be updated to reflect the \$5,000 received on account and the additional legal fees and disbursements for the further steps and action taken on behalf of the lender for the preparation and service of the Notices under the PPSA, and the preparation,

issuance and service of the Statements of Claim. The Discharge Statements will each reflect a credit of \$15,000.00 on account of the amount due and owing.

5. On the date of payout in full of the mortgage debt and costs, you will have our consent to have the actions dismissed and the Notices under mortgage and PPSA will be deemed functus.

I am obliged to leave for the day. I will be unavailable until Sunday if there is any need to further clarify or reply.

Jeffrey J. Schwartz
Schwartz & Schwartz
Professional Corporation
258 Wilson Avenue
Toronto, Ontario
M3H 1S6
PH: 416-636-1949
FX: 416-636-3431

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From: Rod Refcio <RRefcio@rrlaw.ca>

Sent: June 23, 2023 3:30 PM

To: Jeffrey Schwartz <jeffrey@schwartzandschwartz.ca>

Cc: Will Chapman <wchapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>; Rebecca LeGras <rlegras@rrlaw.ca>

Subject: RE: Zach Desjardins - Mortgages

Importance: High

WITHOUT PREJUDICE & FOR DISCUSSION PURPOSES ONLY

Hello Jeffrey,

I am pleased to advise that we are now fully retained on these matters and have also been provided with copies of your respective Statements of Claim which have been recently served upon our clients and to which we shall serve our clients' Defences shortly.

Notwithstanding the aforesaid, our client would like to attempt to resolve these matters without further protracted and costly litigation proceedings.

Accordingly, I confirm that we have now received instructions to put forth the following proposed terms on a *strictly without prejudice and for discussion purposes only* basis:

- i) We shall make a total interim payment of \$40,000.00 (\$20,000.00 to be applied towards each mortgage balance) forthwith;
- ii) You shall provide us with a payout statements for each mortgage dated Wednesday, August 2nd, 2023, with daily per diems thereafter;

- iii) Subject to our client's approval of the aforesaid, our client shall payout the full mortgage balance owing on or before Wednesday, August 9th, 2023;
- iv) Your client shall take no further enforcement action in the interim before Wednesday, August 9th, 2023;
- v) Subject to the completion of the aforesaid then your client's claims shall be dismissed on a without costs basis.

Please kindly review the aforesaid with your client and if your client is agreeable then confirm by way of reply email and also provide us with your Firm's trust account information so that we may complete the corresponding payment.

Please confirm your receipt of this email and let me know if you have any questions.

Regards,

- Rod

Rod R. Refcio
CEO, Senior Lawyer
Refcio & Associates
Barristers and Solicitors
www.rrlaw.ca



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From: Jeffrey Schwartz <jeffrey@schwartzandschwartz.ca>
Sent: June 14, 2023 4:17 PM
To: Rod Refcio <RRefcio@rrlaw.ca>
Cc: Will Chapman <WChapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>; Rebecca LeGras <rlegras@rrlaw.ca>
Subject: RE: Zach Desjardins - Mortgages

Without Prejudice

We have reviewed with our client your email and the current situation relating to the Clinton and Exeter mortgages. So you are aware, our client has been provided with materials from your client relating to a sale of these properties. We are aware that the closing is scheduled for August 9

Our lender instructed us to prepare a forbearance arrangement for each mortgage. They have also confirmed the outstanding balances owed on each loan.

Attached for each of Clinton and Exeter loans, is a Forbearance Agreement with attached Statement and our Legal Account, to date. You will see that the lender has signed

Attached is the Undertaking form referred to in the Forbearance

As we have previously advised, Notices of Sale under Mortgage have been served for both mortgages. Both expire Monday June 19, 2023. Our client has confirmed that Mr Desjardins received both and is aware.

Our client has agreed, as you will see in the materials, to wait until Friday June 23 for delivery of the funds noted in each Forbearance, notwithstanding the expiry of the Notices. This is all on the basis that your client signs the Forbearance and Undertaking form for each property and returns these to our office before 5PM on Monday. The lender will then agree that the enforcement will not move forward. Of course, if funds are not delivered by the Friday date, your client would then be in breach and next steps will be taken.

Please also note that I have removed from the email chain, emails prior to May, 2023 – you were continuing your current emails based over emails from 2021 dealing with mortgages unrelated to this lender and these secured properties.

Jeffrey J. Schwartz
Schwartz & Schwartz
Professional Corporation
258 Wilson Avenue
Toronto, Ontario
M3H 1S6
PH: 416-636-1949
FX: 416-636-3431

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From: Rod Refcio <RRefcio@rrlaw.ca>

Sent: June 12, 2023 8:52 PM

To: Jeffrey Schwartz <jeffrey@schwartzandschwartz.ca>

Cc: Will Chapman <wchapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>; Rebecca LeGras <rlegras@rrlaw.ca>

Subject: RE: Zach Desjardins - Mortgages

Importance: High

WITHOUT PREJUDICE & FOR DISCUSSION PURPOSES ONLY

Hello Jeffrey,

I called you earlier, but was advised by your office that you were on a conference call.

Please be advised that our client has now retained us to pursue a global resolution of this matter.

I further confirm that we have been instructed to put forth the terms of settlement on a *strictly without prejudice and for discussions purposes only basis* as follows:

- i) Our client shall pay the monthly arrears owing for April to June, 2023 on or before Friday, June 23, 2023;
- ii) Our client shall pay the total remaining balance of the mortgage on or before Wednesday, August 9th, 2023.

We would kindly ask that you review the aforesaid with your client and let us know if you have any questions and your position.

If your client is agreeable as to the aforesaid terms, please kindly furnish us with your respective statements for Wednesday, June 21st, 2023 and Friday, August 4th, 2023 with daily per diems thereafter.

Please confirm your receipt of this email and we look forward to receiving your response at your earliest convenience.

Regards,

- Rod

Rod R. Refcio
CEO, Senior Lawyer
Refcio & Associates
Barristers and Solicitors
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From: Jeffrey Schwartz <jeffrey@schwartzandschwartz.ca>
Sent: May 31, 2023 10:04 AM
To: Rod Refcio <RRefcio@rrlaw.ca>
Subject: RE: Zach Desjardins - Mortgages

Without Prejudice

Rod, as you may know, we did not hear back from you in reply to our email about arranging your requested telephone call. I left for overseas on the 11th.

As you may also know, our client instructed us to commence enforcement. Your client has been communicating with ours over the last few weeks that we are to have heard from you or that there is some pending arrangement being made to deal with the arrears and payout of the mortgages. Until something acceptable to the lender is agreed, proceedings taken will continue.

I am back in the office full time if you wish to call

Jeffrey J. Schwartz
Schwartz & Schwartz
Professional Corporation
258 Wilson Avenue
Toronto, Ontario
M3H 1S6
PH: 416-636-1949
FX: 416-636-3431

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From: Rod Refcio <RRefcio@rrlaw.ca>
Sent: May 8, 2023 7:19 PM
To: Jeffrey Schwartz <jeffrey@schwartzandschwartz.ca>
Cc: Will Chapman <wchapman@rrlaw.ca>; Anne Oakley <aoakley@rrlaw.ca>; Valerie Smallwood <vsmallwood@rrlaw.ca>; Morgan LeGras <mlegras@rrlaw.ca>
Subject: RE: Zach Desjardins - Mortgages
Importance: High

WITHOUT PREJUDICE & FOR DISCUSSION PURPOSES ONLY

Hello Jeffrey,

Please be advised that our Firm is now retained on this matter and we would kindly ask that you direct all future correspondence only to our office.

Our client has provided us with a copy of your last correspondence dated April 18th, 2023.

Please kindly advise of your availability this week to discuss these matters in more detail and we can set up an appointment for a telephone call at a convenient date/time.

I have copied another of our Firm lawyers Will Chapman as well as two of our Litigation Department Clerks Anne and Valerie who will be assisting with this matter as well as my Executive Assistant Morgan who will assist with scheduling.

Please confirm your receipt of this email and we look forward to receiving your response at your earliest convenience.

Regards,

- Rod

Rod R. Refcio
CEO, Senior Lawyer
Refcio & Associates
Barristers and Solicitors
www.rrlaw.ca



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380 York Street London, ON N6B 1P9 t: 519.858.1800 f: 519.858.1801	1177 Weston Road Toronto, ON M6M 4P5 t: 833.858.1800 f: 833.858.1801.	581 Plains Road East Burlington, ON L7T 2E6 t: 833.858.1800 f: 833.858.1801
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1112396 ONTARIO LIMITED ET AL.
Applicants

-and-

Z. DESJARDINS HOLDINGS INC. ET AL.
Respondents

Court File No. CV-23-00706607-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT
TORONTO

APPLICATION RECORD

**FRIEDMAN LAW
PROFESSIONAL CORPORATION**
Barristers and Solicitors
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5

Judy Hamilton
Tel: (416) 649-4462
Fax: (416) 497-3809
Email: jh@friedmans.ca

*Lawyers for the Applicants,
Blueberry Records Inc.,
Stanart Holdings Inc. and
Falvo Holdings Limited*

**Stephen M. Turk
Barrister & Solicitor**
200-23 Lesmill Road
Toronto, ON
M3B 3P6

Stephen M. Turk
Tel: 416-630-5511
Fax: 647-317-6076
Email: sturk@stephenturklaw.com

*Lawyers for the Applicant,
1112396 Ontario Limited*