

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

B E T W E E N :

BANK OF MONTREAL

Applicant

- and -

LEATO ENTERPRISE LTD.

Respondent

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

August 14, 2026

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TAB 1



Court File No.:

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

B E T W E E N :

BANK OF MONTREAL

Applicant

- and -

LEATO ENTERPRISE LTD.

Respondent

**APPLICATION UNDER SECTION 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 applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing

☐ In person

☐ By telephone conference

☒ By video conference

at the following location

before a Judge presiding over the Ontario Superior Court of Justice (Commercial List) via Zoom videoconference – particulars to be provided by the Court – on August 24, 2026, at 12:00 p.m., or as soon after that time as the Application can be heard.

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: August 13, 2026

Issued by _____
Local Registrar

Address of 330 University Ave.
court office Toronto, ON, M5G 1R7

TO: THE SERVICE LIST

APPLICATION

1. The Bank of Montreal (“**BMO**”) makes this Application pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) for an order substantially in the form located at Tab 3 of the Application Record (the “**Receivership Order**”), among other things:

- (a) if necessary, abridging the time for service of this Application, validating the manner of service, and dispensing with further service of same;
- (b) appointing TDB Restructuring Limited (“**TDB**”) as receiver and manager (in such capacity, the “**Receiver**”) of the real and personal property, assets and undertakings (collectively, the “**Property**”) of the respondent, Leato Enterprise Ltd. (“**Leato**”), including the properties municipally known as 507 Queen Street West, Toronto, Ontario (the “**507 Property**”) and 693 Queen Street West, Toronto, Ontario (the “**693 Property**”, and together with the 507 Property, the “**Real Property**”)¹; and
- (c) such further and other relief as counsel may advise and the court may permit.

THE GROUNDS FOR THE APPLICATION ARE:

Overview

2. Leato is a corporation incorporated under the laws of the Province of Ontario. Leato is the

¹ The 507 Property is legally described as PIN 21239-0660 (LT), which is a division from 21239-0245 (LT). The original PIN was divided into two parcels, one of which is now owned by Metrolinx. The 693 Property is legally described as PIN 21242-0075 (LT).

owner of the Real Property, with its registered head office located at the 693 Property.

3. Diana Choi (“**Choi**”) is the sole director of Leato.

4. BMO is a Canadian chartered bank under Schedule 1 of the *Bank Act* (Canada).

5. BMO extended two demand credit facilities to Leato pursuant to a letter of agreement. Choi, and another individual, Andy To (“**To**”, and together with Choi, the “**Guarantors**”), personally guaranteed the indebtedness and obligations to BMO.

6. As security for the obligations owing under the Credit Facilities (as defined below), Leato granted, among other things, first-ranking mortgages and assignments of rents over the Real Property and a general security agreement over all of Leato’s present and after-acquired personal property.

7. Leato has defaulted on its obligations under the Credit Agreement and Security (each as defined below). Leato, among other things, failed to make required payments due in June, July and August 2026 and failed to repay the indebtedness following the expiry of the notice period set out in the Demand and NITES (each as defined below) issued by BMO.

8. Following the defaults under the Credit Agreement, on July 8, 2026, BMO made formal written demands on Leato as at July 6, 2026, in the amount of \$5,977,935.29 owed to BMO plus further accruing interest, fees, costs and expenses (the “**Demand**”). The Demand to Leato was accompanied by a notice of intention to enforce on security (“**NITES**”) pursuant to section 244 of the BIA. On the same date, BMO also made formal written demands on the Guarantors for payment of the indebtedness guaranteed by them pursuant to the guarantee (together with the Demand, the “**Demands**”).

9. Leato has not made any payments toward the indebtedness since the date the Demand was issued.
10. The applicable notice period has expired, and BMO's security is enforceable.
11. BMO's Security contemplates the appointment of a receiver in the event of a default.
12. As detailed herein, Leato's defaults under the Credit Agreement support the appointment of a Receiver. The deterioration of the income generated by the Real Property, issues concerning the condition of the 693 Property, the loss of tenants, and Leato's inability to service the Credit Facilities have materially increased BMO's risk.
13. BMO has lost confidence in Leato's ability to manage, preserve and protect the Property.

The Credit Agreement and Security

14. Pursuant to the letter of agreement dated October 22, 2024 (the "**Credit Agreement**"), BMO extended two credit facilities to Leato as part of refinancing the Real Property as follows:
 - (a) a \$2,784,143.52 real estate facility secured against 507 Property; and
 - (b) a \$3,200,000 real estate facility secured against 693 Property (collectively, the "**Credit Facilities**").
15. Pursuant to the Credit Agreement and as security for the obligations to BMO, Leato granted, among other things, (collectively, the "**Security**"):
 - (a) a first-ranking charge registered against the 507 Property and 693 Property (together, the "**Mortgages**");

(b) a notice of assignment of rents registered against the 507 Property and 693 Property; and

(c) a general security agreement over all of Leato's present and after-acquired personal property dated October 22, 2024 (the "**GSA**").

16. The Guarantors jointly and severally guaranteed repayment of Leato's debts and liabilities to BMO limited to the aggregate amount of \$6,000,000 plus interest and costs pursuant to a guarantee dated October 31, 2024 (the "**Guarantee**").

17. BMO is the only registered mortgagee on title to the Real Property.

18. BMO registered the GSA against Leato in Ontario pursuant to the *Personal Property Security Act* (Ontario). BMO is the only secured party registered against Leato.

19. Leato has failed to make any payments in June, July or August 2026, and as at July 6, 2026, Leato was indebted to BMO pursuant to the Credit Facilities and the Guarantors were indebted to BMO pursuant to the Guarantee in the total amount of \$5,977,935.29, plus further accruing interest, fees, costs and expenses.

20. It is a term of each of the Mortgages and the GSA that BMO may appoint a receiver upon default by Leato in any of its obligations to BMO.

The Real Property

507 Property

21. The 507 Property is a three-storey mixed-use retail and residential building located along

Queen Street West, Toronto, Ontario.

22. The current tenant at the 507 Property (the “**507 Tenant**”) leases the main floor and a portion of the basement pursuant to a lease agreement dated January 16, 2024. Notwithstanding the lease, BMO understands that the 507 Tenant is paying reduced rent with Leato’s agreement, from approximately \$11,500 per month under the lease to \$8,100 per month. Such reduction in rent was not approved by BMO.

693 Property

23. The 693 Property is a three-storey mixed-use retail and residential building located along Queen Street West, Toronto, Ontario.

24. The principal tenant at the 693 Property (the “**693 Tenant**”), operated from the ground-floor retail premises under a lease agreement dated November 6, 2023 for a term expiring November 30, 2028. The 693 Tenant moved out of the premises earlier this year due to a pipe leak and has not returned.

Events of Default and Demands

25. Pursuant to the Credit Agreement, the Credit Facilities are repayable on demand by BMO.

26. Leato has committed multiple defaults under the Credit Agreement and Security, including:

- (a) failing to pay principal and interest under the Credit Agreement when due;
- (b) failing to make payments due under the Credit Facilities following the Demand;

- (c) failing to pay the property taxes for the Real Property when due for 2025 and 2026, with arrears totalling \$16,287.71 for the 507 Property and \$20,315.58 for the 693 Property;
- (d) experiencing a material adverse effect to the rental income at the Real Property; and
- (e) becoming insolvent (collectively, the “**Defaults**”).

27. Each of the foregoing constitutes an event of default under the Credit Agreement and Security, with the result that BMO was entitled to exercise its rights and remedies pursuant to the same.

28. In addition, BMO also learned that Leato was depositing rental income into accounts at another financial institution in breach of the terms of the Credit Agreement.

29. By letter dated June 22, 2026 (the “**Default Letter**”), BMO notified Leato and the Guarantors that Leato had failed to pay \$37,020.76 in connection with the Credit Agreement.

30. The Default Letter advised that the unpaid amounts due and owing under the Credit Agreement were required to be cured by June 29, 2026.

31. Leato did not cure the default by June 29, 2026, and has failed to make any payments to BMO in July or August.

32. By letter dated July 8, 2026, counsel for BMO delivered a Demand and NITES to Leato demanding repayment of the outstanding indebtedness, plus all applicable accruing interest, fees, costs, and expenses.

33. By letter dated July 8, 2026, counsel for BMO also demanded payment of the indebtedness from the Guarantors pursuant to the Guarantee.

34. Notwithstanding the issuance of the Demands, neither Leato nor the Guarantors have repaid the indebtedness owing to BMO.

35. The statutory 10-day notice period under section 244 of the BIA has expired. BMO's Security is enforceable.

The Appointment of a Receiver is Necessary

36. The appointment of the proposed Receiver over the Property is necessary and appropriate in the circumstances, including, *inter alia*:

- (a) BMO is contractually entitled to seek the appointment of Receiver pursuant to the Security as a result of the Defaults;
- (b) the notice period under section 244 of the BIA has expired;
- (c) BMO has received no payments towards the indebtedness notwithstanding the issuance of the Demands and the NITES;
- (d) Leato has been depositing rental income into accounts at another financial institution;
- (e) the income-generating ability of the Real Property has materially deteriorated, including significant tenant vacancies and rent reductions;

- (f) BMO has limited visibility concerning the management, condition, occupancy and rent collections of the Real Property;
- (g) it appears that there is no plan in place to repay the indebtedness; and
- (h) BMO has lost confidence in Leato's ability to perform its obligations under the Credit Agreement and Security, or to refinance or repay the indebtedness.

37. For these reasons, BMO believes that the appointment of the Receiver is necessary and appropriate in the circumstances. The appointment of the Receiver will facilitate the preservation, management and any realization process of the Property in an efficient, transparent and court-supervised manner for the benefit of BMO and for the benefit of other stakeholders of Leato.

38. TDB is a licensed trustee in bankruptcy and has consented to act as Receiver if so appointed by the Court.

General

39. Rules 1.04, 2.03, 3.02, 14.05(2), 16.08, 38 and 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg 194.

40. Section 243 of the BIA.

41. Section 101 of the CJA.

42. Rules 6, 11 and 13 of the *Bankruptcy and Insolvency General Rules*, C.R.C., c.368.

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

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

- (a) the Affidavit of Michaela Wolf, to be sworn, and the Exhibits thereto;
- (b) the consent of TDB to act as Receiver; and
- (c) such further and other evidence as counsel may advise and this Honourable Court may permit.

August 13, 2026

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**Lawyers for the Applicant,
Bank of Montreal**

BANK OF MONTREAL
Applicant

and

LEATO ENTERPRISE LTD.
Respondent

Court File No:

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

Proceeding commenced at Toronto

**NOTICE OF APPLICATION
(RETURNABLE AUGUST 24, 2026)**

MILLER THOMSON LLP

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Lawyers for the Applicant, Bank of Montreal

TAB 2

**ONTARIO
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**AFFIDAVIT OF MICHAELA WOLF
(Sworn August 13, 2026)**

I, MICHAELA WOLF, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Senior Account Manager with the Special Accounts Management Unit (“SAMU”) of the applicant, Bank of Montreal (“BMO”). SAMU manages loans for customers that have a higher than acceptable level of risk. BMO is a secured creditor of Leato Enterprise Ltd. (the “Debtor”). I am one of the persons at BMO responsible for the management of the Debtor’s accounts and credit facilities provided by BMO.

2. The facts set forth in this Affidavit are within my knowledge or determined from the face of documents attached as exhibits or held in BMO’s records and provided to me by others.

When matters deposed to herein are based upon information from others, I have identified the source of my information and believe same to be true.

I. OVERVIEW

3. I swear this Affidavit in support of BMO's application for the appointment of TDB Restructuring Limited ("**TDB**") as receiver and manager (in such capacity, the "**Receiver**"), without security, of the real and personal property, assets and undertakings (collectively, the "**Property**") of the Debtor, including the real properties municipally known as 507 Queen Street West, Toronto, Ontario and legally described in PIN 21239-0660 (LT) (the "**507 Property**") and municipally known as 693 Queen Street West, Toronto, Ontario and legally described in PIN 21242-0075 (LT) (the "**693 Property**", and together with the 507 Property, the "**Real Property**").

4. BMO extended two demand credit facilities to Leato pursuant to a letter of agreement dated October 22, 2024 (the "**Credit Agreement**"), for the purpose of refinancing existing indebtedness secured against the Real Property (the "**Credit Facilities**").

5. The Credit Facilities are secured by, among other things

- (a) mortgages and assignments of rents registered against the Real Property;
- (b) a general security agreement over Leato's present and after-acquired personal property; and
- (c) a joint and several personal guarantee granted by Diana Choi ("**Choi**") and Andy To ("**To**" and together with Choi, the "**Guarantors**"),

(collectively, the “**Security**”).

6. Leato is in default under the terms of the Credit Agreement and Security. As set out in further detail below, Leato, among other things, failed to make required payments due in June, July and August 2026 and failed to repay the indebtedness following the expiry of the notice period set out in the Demand and NITES (each as defined below) issued by BMO.

7. Leato also failed to make the required realty tax payments when due in 2025 and 2026, as required by the Mortgage Terms (as defined below). As at June 26, 2026, realty taxes in respect of the 507 Property and the 693 Property were outstanding in the amounts of \$16,287.71 and \$20,315.58, respectively, and have not been paid.

8. Following the defaults under the Credit Agreement, on July 8, 2026, BMO made formal written demands on the Debtor and the Guarantors for payment of the indebtedness as at July 6, 2026 in the amount of \$5,977,935.29 owed to BMO plus further accruing interest, fees, costs and expenses (the “**Demands**”). The Demand to the Debtor was accompanied by a notice of intention to enforce on security (“**NITES**”) pursuant to section 244 of the *Bankruptcy and Insolvency Act* (the “**BIA**”). The applicable notice period has expired, and BMO’s security is enforceable.

9. The Debtor has not made any payments toward the indebtedness since the date the Demand was issued. As of August 13, 2026, the outstanding indebtedness is \$6,019,192.79 (the “**Indebtedness**”), plus fees and expenses plus accruing interest from and after August 13, 2026.

10. BMO’s Security contemplates the appointment of a receiver in the event of a default.

11. As detailed herein, Leato's defaults under the Credit Agreement support the appointment of a Receiver. The deterioration of the income generated by the Real Property, issues concerning the condition of the 693 Property, the loss of tenants, and Leato's inability to service the Credit Facilities have materially increased BMO's risk.

12. BMO has lost confidence in Leato's ability to manage, preserve and protect the Property. I believe that a court-appointed Receiver is necessary and appropriate in these circumstances.

II. BACKGROUND

A. Parties

13. The Respondent, Leato, is an Ontario corporation incorporated on January 12, 2011. A true copy of the corporation profile report for Leato is attached as **Exhibit "A"** to this Affidavit.

14. Choi is the sole director and officer of Leato.

15. Choi and To have jointly and severally guaranteed repayment of Leato's debts and liabilities to BMO limited to the aggregate amount of \$6,000,000 plus interest at a rate of prime plus 3% from the date of demand, plus interest and costs.

B. The Credit Agreement

16. The Credit Agreement dated October 22, 2024 was executed between BMO, as lender, Leato, as borrower, and Choi and To, each as Guarantors. A copy of the Credit Agreement is attached as **Exhibit "B"** to this Affidavit. The Credit Agreement amends and restates a letter of agreement dated May 21, 2024, to include a credit facility for the 693 Property.

17. Pursuant to the Credit Agreement, BMO extended Credit Facilities to Leato as part of refinancing the Real Property as follows:

(a) Facility 1, a \$3,200,000 real estate facility secured against the 693 Property (the “**693 Facility**”); and

(b) Facility 2, a \$2,784,143.52 real estate facility secured against the 507 Property (the “**507 Facility**”).

18. The Credit Agreement provides that the Credit Facilities are repayable on demand by BMO.

19. As reflected in the Demand and NITES, as of July 6, 2026, \$5,977,935.29 was outstanding under the Credit Facilities (plus interest, fees, costs and expenses accruing thereafter), as follows:

Facility	Principal	Interest	Fees	Total	<i>Per Diem</i>
Facility 01 – Real Estate Facility over 693 Queen Street West, Toronto	\$3,092,041.92	4.99%	\$16,091.38	\$3,108,133.30	\$422.72
Facility 02 – Real Estate Facility over 507 Queen Street West, Toronto	\$2,703,658.88	6.17%	\$30,620.97	\$2,734,279.85	\$457.03
FRTL IRD Penalty	\$129,522.14				
Admin Fees	\$6,000.00				
TOTAL:	\$5,931,222.94		\$46,712.35	\$5,977,935.29	\$879.75

20. The Indebtedness reflects the principal and interest owing from the Debtor to BMO as of August 13, 2026.

C. Real Property Security and Perfection

The 507 Property

21. The 507 Property, PIN 21239-0660 (LT) (“**PIN 0660**”), is a three-storey mixed-use retail and residential building located along Queen Street West Toronto, Ontario, between McDougall Lane and Augusta Ave. A copy of the parcel register for the 507 Property is attached as **Exhibit “C”** to this Affidavit.¹

22. The last rent roll Leato provided to BMO listed two retail tenants and two residential tenants at the 507 Property as of May 1, 2025, and a total annual projected rent of \$259,347. As of the date of this Affidavit, I understand that there is currently one retail tenant at the 507 Property, but it is unclear as to whether the other units are still occupied and paying monthly rent.

23. The current tenant at the 507 Property, The Grand Fine Indian Dining (the “**Tenant**”), leases the main floor and a portion of the basement, pursuant to a lease agreement between the Tenant and Leato dated January 16, 2024. Notwithstanding the lease, BMO understands that the Tenant is paying a reduced rent with the agreement of Leato reducing the rent from approximately \$11,500 per month under the terms of the lease to \$8,100 per month.

¹ The original PIN for the 507 Property, 21239-0245 (LT) was retired on January 17, 2025, and divided into two parcels bearing PIN 0660, and 21239-0659 (LT) (“**PIN 0659**”). Metrolinx expropriated PIN 0659 and is now the registered owner.

24. As security for the 507 Facility, Leato granted BMO, among other things:

- (a) a first-ranking charge in the principal amount of \$2,800,000 registered against the 507 Property as Instrument No. AT6577351 on May 23, 2024 (the “**507 Mortgage**”). A copy of the 507 Mortgage is attached as **Exhibit “D”** to this Affidavit; and
- (b) a Notice of Assignment of Rents registered on May 23, 2024, as Instrument No. AT6577352 against the 507 Property, attached as **Exhibit “E”** to this Affidavit.

The 693 Property

25. The 693 Property is a three-storey mixed-use retail and residential building located along Queen Street West, Toronto, Ontario, between Bathurst St. and Tecumseth St. A copy of the parcel register for the 693 Property is attached as **Exhibit “F”** to this Affidavit.

26. The last rent roll Leato provided to BMO listed two residential tenants and one retail tenant at the 693 Property as of May 1, 2025, with a total annual projected rent of \$316,800. As of the date of this Affidavit, I understand that the retail space is vacant, but it is unclear as to whether the other units are still occupied and paying monthly rent.

27. BMO understands that the principal tenant at the 693 Property was Fly Toronto Corporation (“**Fly Toronto**”), which operated from the ground-floor retail premises under a lease dated November 6, 2023, for a term commencing December 1, 2023, and expiring November 30, 2028 (the “**693 Lease**”). BMO further understands that Fly Toronto moved out of the premises earlier this year due to a pipe leak and has not returned.

28. As security for the 693 Facility, Leato granted BMO, among other things:

- (a) a first-ranking charge in the principal amount of \$3,200,000 registered against the 693 Property on November 1, 2024 as Instrument No. AT6690335 (the “**693 Mortgage**” and together with the 507 Mortgage, the “**Mortgages**”). A copy of the 693 Mortgage is attached as **Exhibit “G”** to this Affidavit; and
- (b) a Notice of Assignment of Rents registered in the Land Titles Office for the Registry Division of Toronto No. 66 on November 1, 2024, as Instrument No. AT6690336 against the 693 Property, attached as **Exhibit “H”** to this Affidavit.

29. The terms of the Mortgages are set out in BMO’s Standard Charge Terms No. 201607 (the “**Mortgage Terms**”). A copy of the Mortgage Terms is attached as **Exhibit “I”** to this Affidavit. Leato executed an acknowledgement of the Mortgage Terms dated October 31, 2024, in connection with the registration of the Mortgages. A copy of the acknowledgement of the Mortgage Terms is attached as **Exhibit “J”** to this Affidavit.

30. Pursuant to Article I of the Mortgage Terms, Leato agreed to pay the amount of each monthly payment of principal and interest in respect of the Credit Facilities when due. Article I of the Mortgage Terms provides that BMO may enforce its security if, among other things, Leato commits any of the following events of default:

The Mortgagor shall be in default of the Mortgage and a Default shall occur pursuant to the Mortgage if:

- 1. the Mortgagor fails to pay any Indebtedness when due;

[...]

7. the Mortgagor or a Guarantor becomes bankrupt or insolvent.

31. BMO is the only registered mortgagee on title to the Real Property.

D. Personal Property Security and Perfection

32. As additional security, Leato executed a general security agreement dated October 22, 2024, in favour of BMO (the “GSA”). A copy of the GSA is attached as **Exhibit “K”** to this Affidavit.

33. The GSA was registered under the *Personal Property Security Act* (Ontario) (the “PPSA”) as File No. 510646104 on November 1, 2024, to perfect BMO’s security interest in the personal property of Leato. BMO is the only secured party registered under the PPSA against Leato. A copy of the certified PPSA search certificate for Leato as at July 1, 2026, is attached as **Exhibit “L”** to this Affidavit.

34. The GSA grants a security interest in favour of BMO in, among other things, all present and after-acquired personal property that Leato had at the time the GSA was executed and thereafter acquired, including all intangibles, chattel paper, documents of title, instruments, money and securities, and any proceeds therefrom.

35. Pursuant to section 9 (a) of the GSA, Leato’s failure to perform any provision of any agreement between Leato and BMO is an event of default under the GSA.

36. Section 9 of the GSA provides that:

The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

- (a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank...;

[...]

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;

[...]

(g) should any event occur or fail to occur which, either singly or in the aggregate, would reasonably be expected to have a material adverse effect (i) on the business, assets, results of operations, prospects or condition (financial or otherwise) of the Debtor, (ii) on the ability of the Debtor to discharge any of its Obligations, or (iii) on the validity or enforceability of the rights, remedies or recourses of the Bank under this Security Agreement or any other documentation relating to the Obligations.

E. Guarantees

37. As further security for the Credit Facilities, the Guarantors jointly and severally guaranteed payment to BMO of Leato's obligations under a guarantee dated October 31, 2024, limited to the aggregate amount of \$6,000,000, plus interest and costs (the "**Guarantee**"). A copy of the Guarantee is attached as **Exhibit "M"** to this Affidavit.

III. LEATO'S DEFAULTS AND DEMAND FOR PAYMENT

38. Leato has committed multiple defaults under the Credit Agreement and Security. Leato has, among other things:

- (a) failed to pay principal and interest when due;
- (b) failed to pay realty tax payments when due for 2025 and 2026;

- (c) failed to repay the Credit Facilities following Demand;
- (d) experienced a material adverse effect to the rental income at the Real Property;
and
- (e) become insolvent.

39. As of the date of this Affidavit, such defaults have not been cured and are continuing.

A. Non-Payment of Principal and Interest and BMO's Notice of Default

40. Leato defaulted under the Credit Agreement by failing to make required principal and interest payments due on June 2, 2026.

41. By letter dated June 22, 2026 (the "**Default Letter**"), BMO notified Leato and the Guarantors that Leato had failed to pay \$37,020.76 in connection with the Credit Agreement, consisting of \$8,840.76 in principal and \$28,180.00 in interest. A copy of the June 22, 2026, default letter is attached as **Exhibit "N"** to this Affidavit.

42. The Default Letter advised that the unpaid amounts due and owing under the Credit Agreement were required to be cured by June 29, 2026.

43. Leato did not cure the default by June 29, 2026, and has failed to make any payments to BMO in July or August.

44. BMO's SAMU manages loans for customers that have a higher than acceptable level of risk. Management responsibility for the Credit Facilities was transferred to SAMU in June 2026 after Leato failed to cure its defaults described in the Default Letter.

B. Non-Payment of Realty Taxes

45. Leato has failed to remit the realty taxes when due, in breach of its obligations under the Mortgage Terms.

46. Article D(3) of the Mortgage Terms provides, in part:

Payment of Taxes. The Mortgager shall promptly pay all Taxes as they become due, and within one month after the date fixed for the payment of the last installment of Taxes in each year, shall deliver to the Mortgagee a receipted tax bill showing payment in full of all such Taxes payable during such year. . . .

47. As at June 26, 2026, realty taxes owing in respect of the Real Property remains unpaid, with arrears totaling \$16,287.71 for the 507 Property and \$20,315.58 for the 693 Property.

48. A review of the property tax lookup from the City of Toronto reveals that Leato has not made any tax payments for the 507 Property since August 5, 2025, resulting in interest, penalties, and fees owing for the 2025 arrears. A copy of the Property Tax Lookup for the 507 Property is attached as **Exhibit “O”** to this Affidavit.

49. A review of the property tax lookup from the City of Toronto reveals that the last payment Leato made for the 693 Property was in the amount of \$230.40 on May 6, 2026. Interest, penalties, and fees are owing for all amounts outstanding. A copy of the Property Tax Lookup for the 693 Property is attached as **Exhibit “P”** to this Affidavit.

C. Demands and NITES

50. On July 8, 2026, counsel for BMO delivered a Demand and NITES to Leato demanding repayment of the Indebtedness by July 28, 2026. A copy of the Demand and NITES is attached as **Exhibit “Q”** to this Affidavit.

51. On the same date, BMO, through its counsel, also delivered Demands to Choi and To demanding payment of the amount owing under the Guarantee. Copies of the Demands to the Guarantors are attached as Exhibit “R” to this Affidavit.

52. Neither Leato nor the Guarantors have paid the Indebtedness owing to BMO.

53. The statutory 10-day notice period under section 244 of the BIA has expired. BMO’s security is enforceable.

54. BMO has attempted to negotiate terms of a forbearance with Leato since the issuance of the Demand and NITES. The parties were unable to reach mutually-agreeable terms.

55. BMO understands that Leato’s attempts to pursue refinancing have been unsuccessful and BMO and is unwilling to extend further credit to Leato at this time.

56. As at August 13, 2026, Leato is three months in arrears of principal and interest.

D. Material Adverse Effect to Real Estate Income and Business

57. As indicated above, it is an event of default under section 9 of the GSA, among other things, should any event occur or fail to occur which would reasonably be expected to have a material adverse effect on Leato’s business, assets, results of operations, prospects or condition or the ability of Leato to discharge any of its obligations owing to BMO.

58. In July 2026, BMO was advised, through counsel then acting for Leato, that only one of the rental units at the Real Property were currently tenanted and that the remaining tenant at the 507 Property was paying a reduced amount of rent monthly as discussed above. BMO was also

advised that the main tenant at the 693 Property moved out in or about February 2026 due to a pipe leak and ceased paying rent when it did so.

59. BMO also learned that Leato was depositing rental income into accounts at another financial institution in breach of the terms of the Credit Agreement.

60. BMO considers the above to be material to Leato's ability to discharge its obligations to BMO. As a result of the above, BMO has lost confidence in Leato, its principal and their ability to properly manage the Real Property and repay the Indebtedness.

IV. BMO SEEKS TO ENFORCE ITS SECURITY AND APPOINT A RECEIVER

61. For the reasons discussed, including Leato's failure to repay the Indebtedness owing under the Credit Agreement, I believe that there is a substantial, growing and ongoing risk to BMO's collateral.

62. The Bank requests the assistance of this Honourable Court in the enforcement of its security rights and proposes TDB be appointed as receiver and manager.

63. The commercial nature of the Real Property supports the appointment of a Receiver. BMO has limited visibility into the management of the Real Property, including the current state of insurance, the status of tenants and rent collections, and whether any repairs or preservation measures are required to maintain its collateral.

64. Leato agreed, pursuant to Article K of the Mortgage Terms, and pursuant to section 10 of the GSA, that BMO has the right to appoint a receiver and to seek the appointment of a receiver by the Court in the event that they are in default.

65. Article K of the Mortgage Terms provides that:

Appointment. Upon the occurrence of a Default, in addition to any other remedies available to the Mortgagee, **the Mortgagee may by instrument in writing appoint a Receiver of all or any part of the Mortgaged Land and all rents, incomes, profits and other amounts now or hereafter arising therefrom. The Mortgagee may also apply to any court of competent jurisdiction for the appointment of a Receiver.** (*emphasis added*)

66. Section 10 of the GSA provides that:

Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by . . . **proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof;** or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; . . . **Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine.** In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions. (*emphasis added*)

67. I believe that a court-appointed Receiver empowered to take control of the Property, investigate the status of the building conditions at the Real Property, its tenants and rents, preserve the collateral, and conduct any required realization process in an open, transparent and court-supervised manner will best protect BMO as a secured creditor, alongside any other stakeholders.

68. I understand that TDB is a licensed insolvency trustee and is prepared to act as Receiver, if so appointed by the Court. A copy of TDB's Consent is attached as Exhibit "S" to this Affidavit.

69. I swear this Affidavit in support of BMO's Application for a receivership order in the form contained at **Tab 3** of the Application Record, and for no other or improper purpose.

SWORN/AFFIRMED BEFORE ME via)
video-conference with the commissioner in the)
City of Toronto, Ontario, and the deponent in)
City of Toronto, Ontario, this 13th day of)
August, 2026. This affidavit was commissioned)
remotely and the declaration was administered)
in accordance with Ontario *Regulation 431/20*.)

Gina Rhodes

A Commissioner for taking affidavits in and for
the Province of Ontario
GINA RHODES

Michaela Wolf

MICHAELA WOLF

EXHIBIT A



Profile Report

LEATO ENTERPRISE LTD. as of July 02, 2026

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	LEATO ENTERPRISE LTD.
Ontario Corporation Number (OCN)	1842233
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	January 12, 2011
Registered or Head Office Address	Attention/Care of DIANA CHOI, 693 Queen's Street West, Toronto, Ontario, M6J 1E6, Canada

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

V. Quintanilla W.

Director/Registrar

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

Minimum Number of Directors	1
Maximum Number of Directors	10

Active Director(s)

Name	DIANA CHOI
Address for Service	365 Queen Street West, Toronto, Ontario, M5V 2A4, Canada
Resident Canadian	Yes
Date Began	January 12, 2011

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

V. Quintanilla W.

Director/Registrar

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

Active Officer(s)

Name	DIANA CHOI
Position	President
Address for Service	365 Queen Street West, Toronto, Ontario, M5V 2A4, Canada
Date Began	January 12, 2011

Name	DIANA CHOI
Position	Secretary
Address for Service	365 Queen Street West, Toronto, Ontario, M5V 2A4, Canada
Date Began	January 12, 2011

Name	DIANA CHOI
Position	Treasurer
Address for Service	365 Queen Street West, Toronto, Ontario, M5V 2A4, Canada
Date Began	January 12, 2011

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

V. Quintanilla W.

Director/Registrar

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Corporate Name History

Name

Effective Date

LEATO ENTERPRISE LTD.

January 12, 2011

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V. Quintanilla W.

Director/Registrar

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Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

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

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 Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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

Document List

Filing Name	Effective Date
Annual Return - 2019 PAF: DIANA CHOI - DIRECTOR	April 26, 2020
Annual Return - 2018 PAF: DIANA CHOI - DIRECTOR	April 14, 2019
Annual Return - 2017 PAF: DIANA CHOI - DIRECTOR	April 08, 2018
Annual Return - 2016 PAF: DIANA CHOI - DIRECTOR	May 28, 2017
Annual Return - 2015 PAF: DIANA CHOI - DIRECTOR	June 05, 2016
Annual Return - 2014 PAF: DIANA CHOI - DIRECTOR	July 04, 2015
Annual Return - 2013 PAF: DIANA CHOI - DIRECTOR	November 29, 2014
Annual Return - 2012 PAF: DIANA CHOI - DIRECTOR	June 08, 2013
Annual Return - 2011 PAF: DIANA CHOI - DIRECTOR	June 08, 2013
CIA - Initial Return PAF: DIANA CHOI - DIRECTOR	May 04, 2011
BCA - Articles of Incorporation	January 12, 2011

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

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

V. Quintanilla W.

Director/Registrar

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.

EXHIBIT B

Letter of Agreement – Amendment & Restatement



First Canadian Place
100 King Street West, 19th Floor
Toronto ON M5X 1A1

October 22, 2024

LEATO ENTERPRISE LTD.
507 Queen St West,
Toronto,
Ontario

Attention: Diana Choi

LETTER OF AGREEMENT – AMENDMENT & RESTATEMENT

Bank of Montreal (together with BMO Bank N.A. and Bank of Montreal's other affiliates and their respective successors who are owed any present or future debts, liabilities or obligations by the Borrower, collectively "**BMO**") is pleased to provide this amended and restated Letter of Agreement with respect to the credit Facilities (each a "**Facility**" and collectively, the "**Facilities**") described herein. The letter (the "**Letter of Agreement**") amends and restates the existing Letter of Agreement dated 09-May-2024 [(the "**Prior Letter**"). The Facilities are offered (or continue to be offered, as applicable) on the terms and conditions set out in this Letter of Agreement. The Schedules listed below and attached form part of this Letter of Agreement. Capitalised terms used but not defined have the meanings ascribed to them in Schedule E.

Notwithstanding any other provision of this Letter of Agreement or in any applicable agreements:

- (1) the Facilities are uncommitted and any Advance under any Facility will be made at BMO's sole discretion. Any unutilized portion of any Facility hereunder may be cancelled by BMO at any time without prior notice; and
- (2) each Facility and all other amounts owing or in connection with this letter of Agreement are repayable on demand.

Borrower(s):	LEATO ENTERPRISE LTD. (the "Borrower")
Guarantor(s):	DIANA CHOI Individual ANDY TO Individual (the "Guarantor")
Total Facility Limit:	The total approved amount of all Facilities shall not exceed \$5,984,143.52 at any time.



Facility/ Facilities

Facility No#	Product Type	Authorized Amount	Currency
1	Real Estate Facility- Shared Limit/Multi-Product/Multi-Draw-Non Readvanceable	\$3,200,000.00	CAD
2	Real Estate Facility- Shared Limit/Multi-Product/Multi-Draw-Non Readvanceable	\$2,784,143.52	CAD

Real Estate Facility- Shared Limit/Multi-Product/Multi-Draw-Non Readvanceable

Facility # 1 over 693 Queen St W, Toronto ON - New	
Facility Authorization	\$3,200,000.00 CAD
Type of Loan	Real Estate Financing
Purpose	Refinance
Draw Conditions	[Solicitor to control payout off existing RBC financing against subject, and then advance all remaining funds to Borrower.]
Maximum Amortization	300 months
Advance Options (each a "Loan" and collectively the "Loans")	Additional Details
The aggregate of all outstanding Advances under this Facility shall at no time exceed the Facility Authorization for this Facility. Each Advance under this Facility shall be a separate loan, shall be non-revolving and shall be permanently reduced by any payments by the Borrower. The Borrower shall give to BMO 5 Business Days notice with respect to any request for a Loan under this Facility.	
Fixed Rate Term Loan	Cap Amount: \$3,200,000.00 CAD Type of Loan: Closed Term Loan Interest Rate: To be determined at time of Advance. By way of reference only, the rate in effect as of 22-Oct-2024 for a 5-year term is 5.50% per annum; and the rate is valid for 14 days, and thereafter subject to change at BMO's sole discretion from time to time. Notwithstanding the foregoing and unless otherwise prohibited by law, if the Loan is not paid in full with interest at the Maturity Date and is not renewed, the Loan shall bear interest at a rate per annum equal to the sum of 3% plus the Prime Rate, determined and accrued daily and compounded monthly, not in advance, on the outstanding balance, from the Maturity Date and both before and after demand and both before and after judgment until actual payment in full. Repayment Terms: On demand by BMO, provided that until BMO makes demand:

	Equal monthly principal payments and monthly interest, to be collected separately on the last day of each [month]. The amount of the payments will be determined based on the loan amount, payment frequency, amortization, and term. Or Blended monthly payments comprising principal and interest to be paid monthly in arrears, on the last day of each [month]. The amount of the payment will be determined based on the loan amount, term, amortization and the interest rate in effect at the time of the Advance. The balance of the Loan then outstanding, together with all accrued and unpaid interest, shall be due and payable at the end of the term of the Loan. Prepayment Terms: [Closed Term Loan Only] Prepayment not permitted, in whole or in part, prior to the maturity date. Maximum Term: 4 years Maturity Date: Without limiting BMO's right to demand, the Maturity Date is the last day of the month determined based on the term selected and the date of advance. At any time prior to the Maturity Date, provided that no Default has occurred and is continuing and that the Borrower is in compliance with the covenants in Schedule A, the Borrower may request in writing that this Agreement be renewed. Any renewal of this Agreement shall be (i) subject to the terms and conditions contained herein, and (ii) documented in writing on terms satisfactory to BMO and the Borrower.
Demand Loan Non-Revolving	Cap Amount: \$3,200,000.00 CAD Interest Rate: Prime Rate plus 1.10% per annum. Interest is calculated monthly in arrears, and payable monthly. The Prime Rate in effect as of 22-Oct-2024 is 6.45%. Repayment Terms: Repayable on demand, provided that until demand is made by BMO: Equal monthly principal payments and monthly interest, to be collected separately on the last day of each [month]. The amount of the payments will be determined based on the loan amount, amortization and the interest rate in effect at the time of the Advance, as applicable Prepayments: Prepayments of principal in whole or in part are permitted, without penalty.

Real Estate Facility- Shared Limit/Multi-Product/Multi-Draw-Non Readvanceable

Facility # 2 over 507 Queen St W, Toronto ON - Existing	
Facility Authorization	\$2,784,143.52 CAD
Type of Loan	Real Estate Financing
Purpose	Refinance
Draw Conditions	N/A
Maximum Amortization	296 months
Advance Options (each a "Loan" and collectively the "Loans")	Additional Details
Fixed Rate Term Loan	Cap Amount: \$2,784,143.52 CAD Type of Loan: Closed Term Loan; or Prepayment Option Term Loan; or 6 Month Open Term Loan Interest Rate: To be determined at time of Advance. The current loan rate in effect as of 22-Oct-2024 is 6.17% per annum; and the rate is valid for 14 days, and thereafter subject to change at BMO's sole discretion from time to time. Notwithstanding the foregoing and unless otherwise prohibited by law, if the Loan is not paid in full with interest at the Maturity Date and is not renewed, the Loan shall bear interest at a rate per annum equal to the sum of 3% plus the Prime Rate, determined and accrued daily and compounded monthly, not in advance, on the outstanding balance, from the Maturity Date and both before and after demand and both before and after judgment until actual payment in full. Repayment Terms: On demand by BMO, provided that until BMO makes demand: Equal monthly principal payments and monthly interest, to be collected separately on the last day of each month. The amount of the payments will be determined based on the loan amount, payment frequency, amortization, and term. Or Blended monthly payments comprising principal and interest to be paid monthly in arrears, on the last day of each month. The amount of the payment will be determined based on the loan amount, term, amortization and the interest rate in effect at the time of the Advance. The balance of the Loan then outstanding, together with all accrued and unpaid interest, shall be due and payable at the end of the term of the Loan. Prepayment Terms: Closed Term Loan Only

	Prepayment not permitted, in whole or in part, prior to the maturity date. Remaining Term: 32 months Maturity Date: Without limiting BMO's right to demand, the Maturity Date is the last day of the month determined based on the term selected and the date of advance. At any time prior to the Maturity Date, provided that no Default has occurred and is continuing and that the Borrower is in compliance with the covenants in Schedule A, the Borrower may request in writing that this Agreement be renewed. Any renewal of this Agreement shall be (i) subject to the terms and conditions contained herein, and (ii) documented in writing on terms satisfactory to BMO and the Borrower.
Demand Loan Non-Revolving	Cap Amount: \$2,784,143.52 CAD Interest Rate: Prime Rate plus 1.10% per annum. Interest is calculated monthly in arrears, and payable monthly. The Prime Rate in effect as of 22-Oct-2024 is 6.45%. Repayment Terms: Repayable on demand, provided that until demand is made by BMO: Equal monthly principal payments and monthly interest, to be collected separately on the last day of each month. The amount of the payments will be determined based on the loan amount, amortization and the interest rate in effect at the time of the Advance, as applicable Prepayments: Prepayments of principal in whole or in part are permitted, without penalty.
The aggregate of all outstanding Advances under this Facility shall at no time exceed the Facility Authorization for this Facility. Each Advance under this Facility shall be a separate loan, shall be non-revolving and shall be permanently reduced by any payments by the Borrower. The Borrower shall give to BMO 5 Business Days notice with respect to any request for a Loan under this Facility.	

Conditions Precedent to Advance Facility #1 over 693 Queen St W, Toronto ON:

The Facility(ies) may only be made available in BMO's discretion and will, in any event, require each of the conditions set out below has to be completed to BMO's satisfaction.

Note:

1. Evidence of repayment of all indebtedness not otherwise permitted under this Agreement, as applicable.
2. Receipt of satisfactory legal opinions relating to all matters considered relevant by BMO including, without limitation, the due authorization, execution, delivery and enforceability of the Loan and Security documentation by and against the Borrower and each Guarantor, if any.
3. Confirmation that all real property taxes have been paid to date.
4. Receipt of copies of all signed leases (including all amendments) with all current tenants of all or part of the Lands.
5. Receipt of satisfactory final appraisal of the Lands from an appraiser or agrologist satisfactory to BMO confirming a minimum market value of \$5,150,000.00, together with a letter by the appraiser or agrologist addressed to BMO confirming that BMO may rely on the appraisal for financing purposes.
6. Receipt of satisfactory evidence of compliance with all applicable building and zoning by-laws and building and fire codes with regard to the use, development and occupancy of the Lands.
7. Receipt of satisfactory Rent Roll certified by an officer of the Borrower for the Lands.
8. Satisfactory review (site visit) of the Lands, and the condition of the improvements thereon.
9. Satisfactory Environmental Review, Compliance Certificate and Indemnity for Mortgaged Properties executed by the Borrower.
10. DIANA CHOI and ANDY TO to provide confirmation of personal income tax payments up to date.
11. Confirmation that Corporate Income Taxes for LEATO ENTERPRISE LTD are up to date.
12. Receipt of all notices, certificates, directions, forms or other Documentation required in connection with an Advance.
13. Business Intelligence Report on the Borrower and the Guarantors outlining no noted issues for LEATO ENTERPRISE LTD, DIANA CHOI and ANDY TO.

Conditions Precedent to fulfilled for Facility #2 over 507 Queen St W, Toronto ON:

The Facility(ies) may only be made available in BMO's discretion and will, in any event, require each of the conditions set out below has to be completed to BMO's satisfaction.

1. Receipt of satisfactory legal opinions relating to all matters considered relevant by BMO including, without limitation, the due authorization, execution, delivery and enforceability of the Loan and Security documentation by and against the Borrower and each Guarantor, if any.
2. Satisfactory review of insurance policies issued to the Borrower and each Guarantor, if any, and compliance with any changes required to satisfy BMO's insurance requirements. **(HELD BY BANK)**
3. Receipt of Municipal tax certificate confirming all property taxes have been paid to date on Mortgaged Property. **(HELD BY BANK)**
4. Satisfactory review (site visit) of the Mortgaged Property **(HELD BY BANK)**, and the condition of the improvements thereon to determine the requirements for the following:
 - Receipt of satisfactory Phase I, II, III environmental audit report of 507 Queen Street West, Toronto ON. prepared by an Environmental Consultant satisfactory to BMO, together with a letter by the consultant addressed to BMO confirming that BMO may rely on the report for financing purposes. **Request waiver of environment report given no environmental concerns identified during site visit.**

- Receipt of Building Condition Report for 507 Queen Street W. together with a letter by the consultant addressed to BMO confirming that BMO may rely on the report for financing purposes, satisfactory to BMO. **Request waiver of Building Condition Report since Remaining Economic Life per appraisal exceeds 25 years, which is greater than the proposed amortization of 25 years.**
- 5. Receipt of most recent year-end financial statements and/or year to date financial statements of the Borrower and/or Guarantor, including a satisfactory Rent Roll certified by an officer of the Borrower for Mortgaged Property(ies). **(HELD BY BANK)**
- 6. Receipt of Certified copies of all signed leases (including all amendments) with all current tenants of all or part of Mortgaged Property. **(HELD BY BANK)**
- 7. Receipt of satisfactory appraisal of 507 Queen Street West, Toronto ON from an appraiser satisfactory to BMO confirming a minimum market value of \$4,100,000 together with a letter by the appraiser addressed to BMO confirming that BMO may rely on the appraisal for financing purposes. **(HELD BY BANK)**
- 8. Satisfactory completion of due diligence with respect to the Borrower covering, without limitation, the assets, the financial position, the corporate structure and organizational documents, material contracts, claims and lawsuits and environmental issues.

Security:

All present and future debts, liabilities and obligations of the Borrower under the Facilities owed to Bank of Montreal, BMO Bank N.A. and Bank of Montreal's other affiliates and their respective successors will be secured by the following documents, instruments, agreements and other assurances (collectively, the "**Security**") shall be delivered to BMO prior to any Advance of funds, in form and substance acceptable to BMO and its solicitors, acting reasonably:

Security Held:

1. Insurance on a "Fire and Extended Coverage" or "All Risks" basis must be arranged (with satisfactory evidence thereof delivered to BMO) satisfactory to BMO for the full insurable or replacement value with loss payable to BMO. The policy is to contain the Standard Mortgage Clause. A copy of the policy is to be provided
2. Registered first-ranking All Indebtedness/Collateral Mortgage in the amount of \$2,800,000.00 registered over LT 12 PL 303 CITY WEST; CITY OF TORONTO with the municipal address of 507 Queen Street West Toronto, Ontario Canada M5V 2B4 (the "Mortgaged Property") with appropriate enabling resolutions and documentation.
3. Delivery of an Up to Date or Existing survey/certificate of location of Mortgaged Property(ies) and all buildings located on the Mortgaged Property(ies), prepared by a surveyor licensed in the jurisdiction in which the property(ies) is/are located, which: bears the name, address and signature of the surveyor, his official seal and licence number (any, or both), the date of a survey, and - includes a Surveyor's Certificate in the form and content required by the jurisdiction(s) in which the property is located OR Title insurance from Approved Title Insurance Provider in respect of LT 12 PL 303 CITY WEST; CITY OF TORONTO with the municipal address of 507 Queen Street West Toronto, Ontario Canada M5V 2B4 naming BMO as beneficiary.
4. Assignment of Rents over 507 Queen Street West Toronto, Ontario Canada M5V 2B4 to be registered under.
5. Registered General Security Agreement ("GSA")/Moveable Hypothec ("Hypothec") providing BMO with a security interest/hypothec over all present and after-acquired tangible and intangible assets of DIANA CHOI.

Security to be Obtained:

1. Insurance on a "Fire and Extended Coverage" or "All Risks" basis must be arranged (with satisfactory evidence thereof delivered to BMO) satisfactory to BMO for the full insurable or replacement value with loss payable to BMO. The policy is to contain the Standard Mortgage Clause. A copy of the policy is to be provided
2. Registered first-ranking All Indebtedness/Collateral Mortgage in the amount of \$3,200,000.00 registered over LT 5 PL D113

TORONTO; CITY OF TORONTO with the municipal address of 693 Queen St W Toronto, Ontario Canada M6J 1E6 (the "Mortgaged Property") with appropriate enabling resolutions and documentation.

3. Delivery of an Up to Date or Existing survey/certificate of location of Mortgaged Property(ies) and all buildings located on the Mortgaged Property(ies), prepared by a surveyor licensed in the jurisdiction in which the property(ies) is/are located, which: bears the name, address and signature of the surveyor, his official seal and licence number (any, or both), the date of a survey, and - includes a Surveyor's Certificate in the form and content required by the jurisdiction(s) in which the property is located OR Title insurance from Approved Title Insurance Provider in respect of LT 5 PL D113 TORONTO; CITY OF TORONTO with the municipal address of 693 Queen St W Toronto, Ontario Canada M6J 1E6 naming BMO as beneficiary.

4. Assignment of Rents over 693 Queen St W Toronto, Ontario Canada M6J 1E6 to be registered under PPSA.

5. \$6,000,000 Personal Guarantee from DIANA CHOI and ANDY TO

6. Registered General Security Agreement ("GSA")/Moveable Hypothec ("Hypothec") providing BMO with a security interest/hypothec over all present and after-acquired tangible and intangible assets of LEATO ENTERPRISE LTD.

Security to be Releases:

1. \$2,800,000 Personal Guarantee from DIANA CHOI

Any other documents, instruments or agreements as may be required by BMO, acting reasonably.

To the extent permitted by law, and despite anything to the contrary in any particular Security document: (a) all present and future debts, liabilities and obligations of the Borrower to Bank of Montreal, BMO Bank N.A. and Bank of Montreal's other affiliates and their successors under the Facilities and all indemnity obligations owed by Bank of Montreal to any of its affiliates related to the Facilities will be secured by the Security, and (b) Bank of Montreal will hold all Security as agent for itself and for its affiliates who are owed any present or future debts, liabilities or obligations in connection with any Facility.

The Borrower agrees to indemnify and hold BMO harmless from all liabilities and obligations now or hereafter incurred by BMO under or in connection with any indemnity given by BMO to BMO Bank N.A. or any other affiliates related to bank products made available by BMO Bank N.A. or such other affiliates to the Borrower or any Guarantor including, without limitation, hedging arrangements, cash management, and credit card products. For greater certainty, the Borrower's obligations pursuant to this paragraph are included in the obligations secured by the Security.

Covenants:

As long as any Advance remains outstanding under or in connection with this Letter of Agreement, or so long as this Letter of Agreement remains in effect, the Borrower and any Guarantor will perform and comply with the covenants set out in Schedule A.

Financial Covenants:

In addition, the Borrower and each Guarantor, as applicable, will perform and comply with the following financial covenants, based on financial statements of the Borrower or applicable Guarantor:

Additional Covenants:

In addition, the Borrower and each Guarantor, as applicable, will perform and comply with the following covenants:

1. The Borrower will not, without BMO's prior written consent, participate in any retrofit project or energy or water efficiency project affecting the Mortgaged Property which would have the effect of creating a lien, hypothec or other interest (including, but without limitation, a local improvement charge or similar interest) in the Mortgaged Property ranking, or potentially ranking, in priority to or pari passu with the interest of BMO in the Mortgaged Property, whether or not such project is sponsored or endorsed by a municipal or other government, governmental organization or utility.

Reporting Requirements:

Annual	1) Accountant prepared at a minimum of Compilation Engagement Report grade financial statements of the Borrower within 120 days of the Borrower's fiscal year end 2) Notice of Assessment corresponding to financial statements 3) Confirmation property taxes are paid up to date for 507 Queen Street West, & 693 Queen Street West, Toronto ON 4) Confirmation of property insurance up to date and in place with BMO listed as first loss payee for both 507 Queen Street West, & 693 Queen Street West, Toronto ON 5) Current rent roll and separate operating statement for property located at 507 Queen Street West, & 693 Queen Street West, Toronto ON 6) Personal Net Worth Statement and/or Personal Notice of Assessment of Guarantors to be provided upon Bank's request 7) Personal Income Tax Return and corresponding Notice of Assessment of Guarantors to be provided upon Bank's request
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A \$100 per month fee will be applied for non compliance with reporting requirements. The application of this fee does not waive the Default condition.

Prompt notification of management letters, Default notices, Litigation, and any other material events

Satisfactory evidence that all Taxes (including, without limitation, GST, HST, sales tax, withholdings, etc.) have been paid to date

Representations and Warranties:

The Borrower and each Guarantor, as applicable, makes the representations and warranties set out in Schedule B. All representations and warranties of the Borrower and any Guarantor, in addition to any representation or warranty provided in any document executed in connection with a Facility or any Security, shall be true and correct on the date of this Letter of Agreement and on the date of any Advance under a Facility.

Noteless Advances:

The Borrower acknowledges that the actual recording of the amount of any Advance or repayment thereof under the Facilities,

and interest, fees and other amounts due in connection with the Facilities, in an account of the Borrower maintained by BMO, shall constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under the Facilities; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with the terms and conditions of the Facilities set out in this Letter of Agreement shall not be affected by the failure of BMO to make such recording. The Borrower also hereby acknowledges being indebted to BMO for principal amounts shown as outstanding from time to time in BMO's account records, and all accrued and unpaid interest in respect thereto, which principal and interest the Borrower hereby undertakes to pay to BMO in accordance with the terms and conditions applicable to the Facilities as set out in this Letter of Agreement.

Fees:

All costs and expense incurred by BMO in connection with this Letter of Agreement and the Facilities (including without limitation all legal, appraisal, consulting and registration fees, and the enforcement of the Security are for the account of the Borrower.

A one-time fee ("Fee") of \$11,200 is payable by the Borrower to BMO upon acceptance of this Letter of Agreement. This fee is deemed to be earned by BMO upon acceptance of this Letter of Agreement, to compensate for time, effort and expense incurred by BMO in authorizing these Facilities.

Annual credit renewal fees are payable to BMO each year. At the date of this letter, such fees are 5 Basis Points of remaining outstanding balance (to a minimum of \$500). Each year, the amount of such annual credit renewal fees will be the same as the prior year unless BMO provides prior written notice that such annual credit renewal fees are changing from the prior year. If BMO provides such notice, then the annual credit renewal fees for that year and each subsequent year will be as described by BMO until and unless BMO provides prior written notice that such annual credit renewal fees are changing.

If the total Advances exceed the Facility Authorization, the excess will bear interest at the Overdraft Rate, which is currently 21.0% per annum. BMO shall also be entitled to charge the Borrower a fee of \$100 each time an excess is created.

If the Borrower requests or requires any amendment to this agreement or any other Loan Document, BMO shall be entitled to an amendment fee of at least \$100 per amendment, in addition to all other fees, costs and charges payable by the Borrower.

All fees payable under this Letter of Agreement shall be paid to BMO on the dates due, in immediately available funds. Fees paid shall not be refundable except in the case of manifest error in the calculation of any fee payment.

Cancellation

If the Borrower entered into this agreement in any other manner, the cancellation period is 3 business days. The cancellation period is the period in which the borrower can close the Loan(s) established in this agreement and BMO will provide a notice acknowledging the cancellation and outlining any amounts and expenses owed to BMO and any amount that BMO will return to the Borrower in relation to the use of the Loan. The Borrower's cancellation right is in addition to any repayment rights under this agreement.

Banking Services:

The Borrower shall maintain its Bank Accounts, solely with the BMO. Borrower acknowledges that the pricing (including interest, fees and charges) contained in this Letter of Agreement is contingent on the Borrower maintaining all of its operating accounts with BMO. If the Borrower does not do so, BMO may, at any time, in its sole discretion and without any requirement to obtain the agreement of, or provide prior notice to the Borrower, increase such pricing.

Treasury & Payment Solutions:

BMO will provide Non-Credit and treasury & payment solutions to the Borrower. A Treasury & Payment Specialist will contact the Borrower to implement BMO's On-Line Banking for Business platform (OLBB) and discuss additional treasury & payment features such as Electronic Funds Transfer (EFT), Wire Payments, BMO DepositEdge® and Moneris® Payment Processing Solutions. BMO's objective is to provide a package of services that are tailored to meet both the current and future needs of the Borrower in a cost efficient operating environment.

Commercial Loan Insurance Plan:

You understand that unless you submit an Application for Commercial Loan Insurance Plan ("Application"), and it has been approved by Canada Life as the insurer, you will not be covered under the Commercial Loan Insurance Plan for any facilities under this Letter of Agreement and would be ineligible to submit a claim should you undergo an insurable event.

Counterparts; Electronic Transmissions:

This agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. Any counterpart of this Agreement may be executed and circulated by facsimile, PDF or other electronic means and any counterpart executed and circulated in such a manner shall be deemed to be an original counterpart of this Agreement. All counterparts shall be construed together and shall constitute one and the same original agreement.

Governing Law:

Ontario and the federal Laws of Canada applicable therein.

Schedule:

The following Schedules are attached to and form part of this letter of agreement:

- Schedule A – Covenants
- Schedule B – Representations and Warranties
- Schedule C – Conditions Precedent to Advances
- Schedule D – Additional Terms
- Schedule E - Definitions

BMO's Legal Counsel: David Markowitz – SR Law dmarkowitz@srlawpractice.com 416-363-2215

Agreement and Consent

This Letter of Agreement amends and restates, without novation, the Prior Letter, as of [Date], without prejudice to the effect of the terms of the Prior Letter or to any actions taken under or pursuant to the Prior Letter prior to such date. The entry into effect of this Letter of Agreement shall not be deemed to waive or limit any of BMO's rights in respect of any Event of Default then existing under the Prior Letter or any Event of Default under this Letter of Agreement which exists because of matters occurring prior to such effective date, whether or not known to BMO.

The Borrower and each Guarantor acknowledges, confirms and agrees that:

1. nothing in this Letter of Agreement shall constitute, evidence or result in the repayment, satisfaction, release or novation of all or any part of the obligations under the Prior Letter. However, should this Agreement be construed as such, BMO hereby expressly reserves all of the security granted to it under the Prior Letter;
2. all Security and guarantees granted by it continues in full force and effect as legal, valid and binding obligations, enforceable against it in accordance with its terms, and guarantees or secures payment and performance by it of all present and future debts, liabilities and obligations owed to the Bank and its affiliates under or in connection with the Letter of Agreement; and
3. the Security and guarantees to which it is a party are all ratified and confirmed.

In accepting this Letter of Agreement you acknowledge that if, in the opinion of BMO, a material adverse change in risk occurs including, without limitation, any material adverse change in the financial condition, business, property or prospects of the Borrower or any Guarantor, the rights and remedies of BMO, or the ability of the Borrower or any Guarantor to perform its obligations to BMO, any obligation to advance some or all of the above Facilities may be withdrawn or cancelled.

Please indicate your acceptance of the terms and conditions hereof by signing and returning one copy of this Letter of Agreement (and making payment of the above noted fee, if applicable) to BMO no later than 10-25-2024. If your acceptance of this Letter of Agreement is not received by BMO by that date, BMO shall not be required to proceed with any of the Facilities.

Yours truly,

BANK OF MONTREAL

E-SIGNED by Alexandre Hendrick
on 2024-10-23 18:22:56 GMT

By: _____
Name: Alexandre Hendrick

Title: Associate Director

(647)-332-3579

CUSTOMER ACCEPTANCE

Accepted and agreed to this 25 day of Oct, 2024

Agreement and Consent

Borrower

LEATO ENTERPRISE LTD.

By: E-SIGNED by Diana Choi
on 2024-10-23 17:17:27 GMT

Name: _____

Title: Authorized Signatory

Guarantor

DIANA CHOI Individual

If signed by personal guarantor:

Witness: E-SIGNED by Alexandre Hendrick
on 2024-10-23 18:22:58 GMT

Name: Alexandre Hendrick

Address 100 King St W, Toronto ON M5X 1A1

Phone (647) 332- 3579

E-SIGNED by Diana Choi
on 2024-10-23 17:17:33 GMT

Name: DIANA CHOI Individual

Address _____

Phone (____) ____ - _____

Guarantor

ANDY TO Individual

If signed by personal guarantor:

Witness: E-SIGNED by Alexandre Hendrick
on 2024-10-23 18:23:00 GMT

Name: Alexandre Hendrick

Address 100 King St W, Toronto ON M5X 1A1

Phone (647) 332- 3579

E-SIGNED by Andy To
on 2024-10-23 17:58:17 GMT

Name: ANDY TO Individual

Address _____

Phone (____) ____ - _____

SCHEDULE A

COVENANTS

1. Payment of all indebtedness due to BMO in connection with this Letter of Agreement or any Facility.
2. Maintenance of corporate existence and status, if applicable.
3. Payment of all Taxes when due (including, without limitation, corporate, GST, HST, sales tax and withholding).
4. Compliance with all material Laws, regulations and applicable permits or Approvals (including health, safety and employment standards, labour codes and environmental Laws).
5. Compliance with all material agreements.
6. Use of proceeds to be consistent with the approved purpose.
7. Notices of death of Borrower or Guarantor, Default, material Litigation, and regulatory proceedings to be provided to BMO on a timely basis.
8. Access by BMO to books and records; BMO to have right to inspect property to which its security applies.
9. No assumption of additional indebtedness or guarantee Obligations by Borrower without prior written consent of BMO.
10. No liens or encumbrances on any assets except with the prior written consent of BMO.
11. No change of control or ownership of the Borrower without the prior written consent of BMO.
12. No disposition of property or assets (except in the ordinary course of business) without the prior written consent of BMO.
13. No material acquisitions, hostile takeovers, mergers or amalgamations without BMO's prior written approval.
14. [For multiple currencies]:

If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Letter of Agreement, it becomes necessary to convert into a particular currency (the "Judgment Currency") any amount due under this Letter of Agreement in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "rate of exchange" means the rate at which BMO is able, on the relevant date, to purchase the Currency Due with the Judgment Currency in accordance with its normal practice at its principal office in Toronto, Ontario. If there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of receipt by BMO of the amount due, the Borrower will, on the date of receipt by BMO, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by BMO on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of receipt by BMO is the amount then due under this Letter of Agreement in the Currency Due. If the amount of the Currency Due which BMO is so able to purchase is less than the amount of the Currency Due

originally due to it, the Borrower and each Guarantor jointly and severally (solidarily) agree to indemnify BMO from and against any and all loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other Obligations contained in this Letter of Agreement, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by BMO from time to time and shall continue in full force and effect notwithstanding any judgment or order in respect of an amount due under this Letter of Agreement or under any judgment or order.

SCHEDULE B

REPRESENTATIONS AND WARRANTIES

1. It has the corporate status, power and authority to enter into this Letter of Agreement and any agreement executed in connection with a Facility or any Security to which it is a party, and to perform its Obligations hereunder and thereunder.
2. It is in compliance with all applicable Laws (including environmental Laws) and its existing agreements.
3. Except as otherwise disclosed to BMO in writing, no consent or approval of, registration or filing with, or any other action by, any governmental authority is required in connection with the execution, delivery and performance by it of this Letter of Agreement and any agreement executed in connection with a Facility or any Security to which it is a party.
4. All factual information that has been provided to BMO for purposes of or in connection with this Letter of Agreement or any transaction contemplated herein is true and complete in all material respects on the date as of which such information is dated or certified.
5. No event, development or circumstance has occurred that has had or could reasonably be expected to have a Material Adverse Effect on the business, assets, operations or condition, financial or otherwise, of the Borrower or any Guarantor.
6. There is no material Litigation pending against it or, to its knowledge, threatened against or affecting it.
7. It has timely filed or caused to be filed all required tax returns and reports and has paid or caused to be paid all required Taxes.
8. It has good and marketable title to its properties and assets including ownership of and/or sufficient rights in any material intellectual property.
9. It has complied with all Obligations in connection with any pension plan which it has sponsored, administered or contributed to, or is required to contribute to including, without limitation, registration in accordance with applicable Laws, timely payment of all required contributions or premiums, and performance of all fiduciary and administration Obligations.
10. It maintains insurance policies and coverage that provides sufficient insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons in the same or a similar business.
11. It is not in Default nor has any event or circumstance occurred which, but for the passage of time or the giving of notice, or both, would constitute a Default under any loan, credit or security agreement, or under any material instrument or agreement, to which it is a party.

SCHEDULE C

ADDITIONAL CONDITIONS PRECEDENT TO ADVANCES

1. Delivery and review of the articles or other constating documents, by-laws, certified resolutions, shareholder agreements (if any) and good standing or equivalent certificates of each Credit Party demonstrating corporate or organisational status, due capacity and sufficient authority.
2. Delivery of a duly executed copy of the Documentation.
3. Review of all necessary Approvals.
4. Review of all Material Contracts.
5. Review of all information necessary for BMO to comply with all legal and internal requirements in respect of anti-money laundering and proceeds of crime legislation and "know your customer" requirements.
6. Review (as to covered risks, amounts, periods, renewals, issuer(s), named insured(s), beneficiaries, loss payees, caps, standard mortgage and similar clauses, conditions, exclusions and otherwise) by BMO (or its agents) of all insurance policies issued to the Credit Parties.
7. Completion of all due diligence required by BMO in respect of the Credit Parties and their respective business, operations, assets, property and undertaking (including lien, Litigation and solvency searches, as well as real property, insurance, tax, pension and environmental diligence, in each case where and as applicable).
8. Confirmation that all representations, warranties and other declarations made by the Credit Parties under each of the Documentation are true, complete and accurate at the time made or deemed made (including at the time of any Advance).
9. Confirmation that, since the most recent financial statements provided to BMO, no event or series of events has occurred or failed to occur which would reasonably be expected to have, either singly or in the aggregate, a Material Adverse Effect.
10. Confirmation that no Default shall have occurred or be continuing.
11. Payment of all fees, costs, charges, expenses and other amounts then owing under the Documentation.
12. Any other document or action that BMO may reasonably require.
13. Compliance with all covenants (financial and non-financial) contained herein.
14. Compliance with all Laws.
15. Satisfactory evidence that all other taxes payable by the Borrower and Guarantor(s) (including, without limitation, GST, HST, sales tax, and withholding) have been paid to date.
16. No material judgments or material legal action initiated against the Borrower and/or any Guarantor(s).

SCHEDULE D

Additional Terms

Expenses: The Borrower(s) shall pay all reasonable costs and expenses of BMO associated with the preparation, due diligence (including third party expenses), administration and enforcement of this Letter of Agreement, the Facilities, the Security, and the other loan documentation, regardless of whether or not any advances are made or all of the conditions precedent are satisfied or waived in BMO's discretion.

Increased Costs, Taxes, etc.: If in respect of any change in or introduction of any law, regulation, order, rule, request, or directive (whether or not having the force of law but of a kind which is intended to be generally complied with by banks) or in the interpretation thereof by any authority charged with the administration thereof or by any court of competent jurisdiction:

(a) BMO incurs a cost (which it would not otherwise have incurred), becomes subject to a tax, or becomes liable to make a payment (calculated with reference to the amount outstanding or available under a Facility) with respect to continuing to provide or maintain such Facility (other than a tax imposed on the income of BMO);

(b) any reserve, special deposit or similar requirement is imposed or increased with respect to any Facility increasing the cost thereof to BMO; or

(c) BMO suffers or will suffer a reduction in the rate of return on its overall capital (other than a reduction by reason of an income tax referred to in (a) above) as a result of the amount of the capital that BMO is required to maintain being increased or of any change in the manner in which BMO is required to allocate its resources;

then the Borrower(s) shall, upon receiving written notice from BMO, pay to BMO such amount as will compensate BMO for, and will indemnify and hold BMO harmless against, such increases in cost or reductions of rate of return with respect to the applicable Facilities accruing after the date the notice is issued. The notice issued by BMO setting out the amount and basis for the amount of such additional payment required shall be deemed to be *prima facie* correct.

Confidential Information Release and Consent: The Borrower(s) consents to the release of confidential information regarding the business by BMO to affiliates and subsidiaries of BMO for the purpose of assisting BMO in supporting the Borrower(s) with its strategic plans.

The Borrower(s) authorizes and consents to reproduction, disclosure and use by BMO of information about the Borrower(s) (including, without limitation, the Borrower(s)'s name and any identifying logos) and the Facilities (all such information being called the "Information") to enable BMO to publish promotional "tombstones" and other forms of notices of the Facilities in any manner and in any media (including, without limitation, brochures, league table purposes). The Borrower(s) acknowledges and agrees: that BMO shall be entitled to determine, in its discretion, whether to use the Information; that no compensation will be payable by BMO resulting therefrom; and that BMO shall have no liability whatsoever to the Borrower(s) or any of its employees, officers, directors, affiliates or shareholders in obtaining and using the Information in accordance with this paragraph.

Indemnification: The Borrower(s) agrees to indemnify BMO, its affiliates and each of their respective officers, directors, employees, agents and advisors, and save each of them harmless, from and against any and all direct and indirect losses, claims, damages and liabilities arising from activities under or contemplated under this Letter of Agreement, the Security and the other loan documents, other than as a direct result of the gross negligence or willful misconduct of BMO as determined by a final and non-appealable order of a court of competent jurisdiction.

Announcements: The Borrower(s) shall permit BMO to review and approve of any reference to BMO contained in any press release or similar public disclosure in connection with the Facilities.

The Borrower(s) shall not assign any of its rights or obligations hereunder or under any other loan document.

Assignment: BMO shall have the right to assign, insure, re-insure, sell or participate its rights and obligations under this Letter of Agreement and the other loan documents, including (without limitation) in the Facilities or in any borrowing hereunder, in whole or in part, to any other person, subject to the consent of the Borrower(s) not to be unreasonably withheld. Notwithstanding the foregoing, the consent of the Borrower(s) is not required if a Default has occurred and is continuing or if the Borrower(s) or any Guarantor is insolvent, bankrupt or has taken any action or sought any relief under any insolvency, restructuring or analogous corporate laws.

Amendments: This Letter of Agreement can only be amended through a written instrument signed by BMO. The Borrower is solely responsible to notify any Guarantors of any amendments.

No Waiver: BMO reserves all of its rights, remedies and recourses at any time and from time to time in connection with this Letter of Agreement and the other Documentation, and the entering into or continued performance by BMO of any Documentation shall not be

construed as a waiver or forbearance of any Default. Any such waiver or forbearance must be express (and not implied) on the part of BMO and made in writing.

**Whole
Agreement:**

This Letter of Agreement and the other Documentation constitute the whole and entire agreement between the parties in respect of the Facilities. Any previous agreements, understandings, undertakings or arrangements are superseded and replaced by this Letter of Agreement and the other Documentation

**Withholding
Taxes:**

Except as otherwise required by law, all payments made by the Borrower(s) to BMO hereunder shall be made without withholding for or on account of any present or future taxes imposed by or within the jurisdiction in which the Borrower(s) is domiciled, any jurisdiction from which the Borrower(s) makes any payment or any other jurisdiction, or (in each case) any political subdivision or taxing authority thereof or therein (other than taxes in respect of the net income, assets or capital of BMO). If any such withholding is required by law, the Borrower(s) shall make the withholding, pay the amount withheld to the appropriate governmental authority before penalties attach thereto or interest accrues thereon and forthwith pay to BMO such additional amount as may be necessary to ensure that the net amount actually received by BMO (after payment of such taxes including any taxes on such additional amount paid) is equal to the amount which it would have received if no amounts had been withheld.

**Matters relating
to Interest:**

Unless otherwise indicated, interest on any outstanding principal amount and all other amounts (including unpaid interest) shall be calculated daily and shall be payable monthly in arrears on the first business day of the following month; and if the maturity date of a Facility is not the end of a month, all accrued and unpaid interest in respect of such Facility shall be paid on such maturity date. Interest shall accrue from and including the day upon which an advance is made or is deemed to have been made, and ending on but excluding the day on which such advance is repaid or satisfied. Any change in the Prime Rate or the Base Rate shall cause an immediate adjustment of the interest rate applicable to Prime Rate based loans or Base Rate based loans, as applicable, without notice to the Borrower.

Unless otherwise stated, in this Letter of Agreement if reference is made to a rate of interest, fee or other amount "per annum" or a similar expression is used, such interest, fee or other amount shall be calculated on the basis of a year of 365 or 366 days, as the case may be. If the amount of any interest, fee or other amount is determined or expressed on the basis of a period of less than 1 year or 365 or 366 days, as the case may be, the equivalent yearly rate is equal to the rate so determined or expressed, divided by the number of days in the said period, and multiplied by the actual number

of days in that calendar year. BMO agrees that promptly upon request by the Borrower from time to time it will advise the Borrower of the Prime Rate and the Base Rate in effect at such time (or during any other period prior to such time), and will assist the Borrower in calculating the effective annual rate of interest required to be disclosed pursuant to section 4 of the *Interest Act* (Canada).

If the amount of any interest, premium, fees or other monies or any rate of interest stipulated for, taken, reserved or extracted under this Letter of Agreement or any of the Documentation would otherwise contravene the provisions of section 347 of the *Criminal Code* (Canada), section 4 or section 8 of the *Interest Act* (Canada) or any successor or similar legislation, or would exceed the amounts which BMO is legally entitled to charge and receive under any law to which such compensation is subject, then such amount or rate of interest shall be reduced to such maximum amount as would not contravene such provision; and to the extent that any excess has been charged or received BMO shall apply such excess against the outstanding indebtedness and refund any further excess amount.

Default Interest: Applicable margins and interest rates which would be otherwise applicable shall increase by 2% points upon the occurrence of and during continuance of a Default.

Risk Rating Adjustment: If, in BMO's opinion acting reasonably, the Borrower's financial health or risk profile deteriorates, BMO may increase the applicable margin and other interest rates applicable to any one or more Facilities or Advances to reflect such increased risk upon giving the Borrower at least 30 days prior written notice of such change. BMO may additionally review the applicable margins and other interest rates from time to time, including during its annual review of the Facilities. The right of BMO under this paragraph is in addition to all other rights of BMO in the Documentation, including in respect of default interest.

Interpretation:

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "or" is disjunctive; the word "and" is conjunctive. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or replaced (subject to any restrictions on such modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, (c) any reference herein to any person shall be construed to include such person's successors and permitted assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Letter of

Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Letter of Agreement, (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, and (g) any use of "including" or "includes" is not intended to be limited and shall be read to mean "including, without limitation" and "includes, without limitation".

WAIVER OF JURY TRIAL:

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS LETTER OF AGREEMENT, ANY OTHER LOAN DOCUMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS LETTER OF AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Matters related to Currency:

If it is necessary for any purpose relating to any Facility that an amount denominated in a currency other than Canadian Dollars be expressed in or equated to an amount of Canadian Dollars, the applicable amount of Canadian Dollars will be determined by BMO in accordance with its normal practice. If the amount outstanding under such Facility, when converted to the equivalent amount in Canadian Dollars, exceeds the amount available under such Facility, the Borrower shall, unless BMO otherwise agrees in its sole discretion, immediately repay such excess to BMO.

If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Letter of Agreement or any other Documentation, it becomes necessary to convert into a particular currency (the "Judgment Currency") any amount due under this Letter of Agreement or under any other Documentation in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "rate of exchange" means the rate at which BMO is able, on the relevant date, to purchase the Currency Due with the Judgment Currency in accordance with its normal practice at its office in Toronto, Ontario. If there is a change in the rate of exchange prevailing between the Business Day immediately preceding the day on which the judgment is given and the date of receipt by BMO of the amount due, the Borrower shall, on the date of receipt by BMO, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by BMO on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of

receipt by BMO is the amount then due under this Letter of Agreement or such other Documentation in the Currency Due. If the amount of the Currency Due which BMO is so able to purchase is less than the amount of the Currency Due originally due to it, the Borrower shall indemnify and save BMO harmless from and against all loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Letter of Agreement and the other Documentation, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by BMO from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Letter of Agreement or any other Documentation or under any judgment or order.

**No Advisory or
Fiduciary Duty:**

The Borrower acknowledges and agrees, and acknowledges its subsidiaries' understanding, that BMO will not have any obligations hereunder except those obligations expressly set forth herein and in the other Documentation and that BMO is acting solely in the capacity of an arm's length contractual counterparty to the Borrower with respect to the Documentation and the transaction contemplated therein and not as a financial advisor or a fiduciary to, or an agent of, the Borrower or any other person. The Borrower agrees that it will not assert any claim against BMO based on an alleged breach of fiduciary duty by BMO in connection with this Letter of Agreement or the other Documentation and the transactions contemplated thereby. Additionally, the Borrower acknowledges and agrees that BMO is not advising the Borrower as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. The Borrower shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and BMO shall have no responsibility or liability to the Borrower with respect thereto.

Set Off:

BMO and its affiliates may set off any obligations owing under or in connection with this Letter of Agreement and the Facilities against any money and other property maintained in any accounts of the Borrower held with BMO or its affiliates.

Quebec Matters:

For purposes of any assets, liabilities or entities located in the Province of Québec and for all other purposes pursuant to which the interpretation or construction of this Letter of Agreement may be subject to the laws of the Province of Québec or a court or tribunal exercising jurisdiction in the Province of Québec: (a) "personal property" shall include "movable property", (b) "real property" or "real estate" shall include "immovable property", (c) "tangible property" shall include "corporeal property", (d) "intangible property" shall include "incorporeal property", (e) "security interest", "mortgage" and "lien" shall include a "hypothec", "right of retention", "prior claim", "reservation of ownership" and a resolutive clause, (f) all references to filing, perfection, priority, remedies, registering or recording under a Personal Property Security Act shall include

publication under the Civil Code of Québec, (g) all references to “perfection” of or “perfected” liens or security interest shall include a reference to an “opposable” or “set up” hypothec as against third parties, (h) any “right of offset”, “right of setoff” or similar expression shall include a “right of compensation”, (i) “goods” shall include “corporeal movable property” other than chattel paper, documents of title, instruments, money and securities, (j) an “agent” shall include a “mandatary”, (k) “joint and several” shall include “solidary”, (l) “gross negligence or willful misconduct” shall be deemed to be “intentional or gross fault”, (m) “beneficial ownership” shall include “ownership on behalf of another as mandatary”, (n) “easement” shall include “servitude”, (o) “priority” shall include “rank” or “prior claim”, as applicable (p) “accounts” shall include “claims”, (q) “legal title” shall be including “holding title on behalf of an owner as mandatory or prête-nom”, and (r) “guarantee” and “guarantor” shall include “suretyship” and “surety”, respectively.

**Benchmark
Replacement
Mechanics:**

Unless otherwise defined, capitalized terms have the meanings given to them in the Letter of Agreement and Schedule E.

Definitions:

Benchmark:

For

- (a) CORRA, initially, the Term CORRA Reference Rate; and
- (b) SOFR, initially, Term SOFR,

provided that if a Benchmark Transition Event has occurred with respect to any of the foregoing or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate under this Schedule.

**Benchmark
Replacement:**

With respect to any Benchmark Transition Event:

- (a) where a Benchmark Transition Event has occurred with respect to:
 - i. the Term CORRA Reference Rate, the Benchmark Replacement will be Daily Compounded CORRA or, at BMO’s option, the Prime Rate; and
 - ii. Daily Compounded CORRA, the Benchmark Replacement will be the Term CORRA Reference Rate or, at BMO’s option, the Prime Rate, and

- (b) where a Benchmark Transition Event has occurred with respect to a Benchmark other than the Term CORRA Reference Rate or Daily Compounded CORRA, the Benchmark Replacement will be the sum of:
 - i. the alternate benchmark rate that has been selected by BMO in its discretion but considering: (1) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by an applicable Governmental Authority, or (2) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for similar credit facilities, and
 - ii. the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than any applicable floor, the Benchmark Replacement will be deemed to be that floor for the purposes of this Letter of Agreement and the other Documentation. If there is no floor, then the floor shall be deemed to be 1%.

Benchmark Replacement Adjustment:

With respect to any replacement of the then-current Benchmark with a Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by BMO in its discretion but considering: (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark by the applicable governmental authority, or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark for similar credit facilities at such time.

Benchmark Transition Event:

With respect to any then-current Benchmark, the occurrence of any of the following events as determined by BMO in its sole discretion:

- (a) that Benchmark or any interest period of that Benchmark is no longer available or published or representative;
- (b) the administrator, regulatory supervisor or other applicable governmental authority having jurisdiction over the Benchmark has made a public statement that the Benchmark or any interest period of the Benchmark will no longer be made available, used or advisable for determining interest rates of loans; or
- (c) loans are currently being executed containing, or loans that include benchmark replacement language similar to that

contained in this Letter of Agreement, are being executed or modified (as applicable) to incorporate or adopt, a new interest rate to replace a Benchmark.

Conforming Changes:

With respect to the use or administration of a Benchmark or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to definitions, pricing, applicable margins and other provisions of any Documentation, timing and frequency of determining rates and making payments of interest, timing of loan requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods and other technical, administrative or operational matters) that BMO decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by BMO in a manner substantially consistent with market practice (or, if BMO decides that adoption of any portion of such market practice is not administratively feasible or if BMO determines that no market practice for the administration of any such rate exists, in such other manner of administration as BMO decides is reasonably necessary in connection with the administration of this Letter of Agreement and the other Documentation.

REPLACEMENT MECHANICS:

1. **Rates and No Liability:** BMO does not warrant or accept responsibility for, and won't have any liability with respect to:
 - a. Continuation, administration, calculation or any other matter related to CORRA, SOFR or any other Benchmark or any term, interest rate or interest period related to any of them;
 - b. the effect, implementation or composition of any Conforming Changes;
 - c. whether any adjustments to Term CORRA, Term SOFR or other Benchmark is similar to, or produces, the economic equivalence of any prior reference interest rate, index or other credit availability;
 - d. the liquidity or availability of any Benchmark or interest period thereof;
 - e. any other direct or indirect consequence of a Benchmark, Benchmark Transition Event, Benchmark Replacement, Conforming Changes or other consequence of any reference rate adjusting or ceasing in the future.
2. **Benchmark Replacement:** Notwithstanding anything to the contrary in this Letter of Agreement or any other Documentation (and BMO may determine if it requires applicable swap and hedge agreements to be Documentation for the purposes of these mechanics), if a Benchmark Transition Event occurs, then:

- a. in the case of a Benchmark Replacement under clause (a) of that definition *[Term CORRA to Daily Compounded CORRA or vice versa or Prime Rate]*, such Benchmark Replacement will replace the applicable Benchmark for all purposes under the Documentation for that Benchmark without any further action or consent of any party, provided BMO may make Conforming Changes as required; and
- b. in the case of a Benchmark Replacement under clause (b) of that definition *[anything other than CORRA]*, such Benchmark Replacement will replace the applicable Benchmark for all purposes under the Loan Documents after 5:00pm Toronto time on the 5th Business Day after the date notice of such Benchmark Replacement is provided to the Borrower without any further action or consent of any party, provided BMO may make Conforming Changes as required.

BMO may issue simple notice of any Benchmark Replacement to the Borrower, however any Benchmark Replacement made under this Section will not be affected, conditional or prejudiced in any way if BMO does not provide any such notice.

Each outstanding loan based directly or indirectly on a Benchmark that is being replaced under this section ("**Existing Loan**") will automatically convert to a loan under the new adjusted Benchmark ("**Updated Loan**") upon the later to occur of (a) the maturity of the applicable interest period of the Existing Loan, and (b) the effective date of the Benchmark Replacement. The Updated Loan will be in the principal amount of all outstanding debt, interest, fees and other amounts of the Existing Loan on the conversion date and bear interest at a rate per annum based on the new Benchmark and taking into account any Applicable Margin, Conforming Changes, fees and other amounts. If, for any reason, an Existing Loan cannot be so converted, it will be deemed to have converted to a Prime Rate or Base Rate, as applicable, loan in the principal amount of all outstanding debt, interest, fees and other amounts of the Existing Loan on the conversion date.

3. **Conforming Changes:** Without limiting BMO's ability to make Conforming Changes under Section 2, BMO may make Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement from time to time and, notwithstanding anything to the contrary herein or in any other Documentation, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Letter of Agreement or any other Documentation.
4. **Notices:** BMO will notify the Borrower of any Benchmark Replacement and the effectiveness of any Conforming Changes. Any determination, decision or election by BMO and associated notice(s) will be conclusive and binding absent manifest error and will be made in BMO's sole discretion without the need for any consent or approval from any person.

5. **Compensation for Loss:** If any loan based on Term CORRA or Term SOFR is repaid, converted, rolled over or assigned before the last day of the applicable interest period, the Borrower will immediately on demand compensate BMO for any loss, cost and expense attributable to such event, including costs of re-deploying capital, break-fees and other related amounts.
6. **Bankers' Acceptances ("BAs").** No new advance or loan will be requested or made that is a BA or derived from a BA. Any outstanding obligations consisting of BAs or derived from BAs will, concurrently with their maturity, automatically convert to a Prime Rate loan under the same Facility.

SCHEDULE E

DEFINITIONS

"Advance" or "Loan" means an advance, continuation or conversion (where applicable) of any loan or credit extended under this Agreement, as amended, restated or renewed from time to time.

"Approvals" means, collectively, all material governmental, regulatory, third party or other approvals, authorizations, consents, rights, titles, interests, franchises, licenses, permits, privileges, qualifications and the like, and orders, registrations, declarations, publications, recordings, filings, notices and such other actions which, in each case, are necessary or desirable (i) for the ownership, lease, operation and normal conduct of the business, property, undertaking and assets of any Credit Party, or (ii) under or in connection with the Facilities and the Documentation (including the execution, delivery, performance, validity, enforceability and perfection (opposability) thereof).

"CORRA" means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

"CORRA Advance" means either a Term CORRA Advance, an Adjusted Term CORRA Advance, a Daily Compounded CORRA Advance, or an Adjusted Daily Compounded CORRA Advance, as applicable.

"Credit Parties" means, collectively, the Borrower(s) and the Guarantor(s).

"Daily Compounded CORRA" means, for any day, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Lender in accordance with the methodology and conventions for this rate selected or recommended by the applicable governmental authority for determining compounded CORRA for business loans; provided that if BMO decides that any such convention is not administratively feasible, then BMO may establish another convention in its reasonable discretion; and provided further that if the administrator has not provided or published CORRA and a Benchmark Replacement with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA. If a floor is stipulated in this Letter of Agreement, then Daily Compounded CORRA will never be less than the floor. If there is no such floor, then Daily Compounded CORRA shall never be less than 0%.

"Default" means a breach or default or event which, with the giving of notice or the passage of time or both, would constitute a breach or a default (whether as to the performance or fulfilment of any representations, warranties, covenants, obligations or other provisions thereunder) under the applicable documentation (including the Documentation).

"Documentation" means, collectively, this Agreement (as amended, restated or renewed from time to time), the Guarantee and Security (set forth below) and all other agreements and documents required to be delivered in connection with the Facilities or the transactions contemplated hereby.

"including" means including but without limitation.

"Laws" means all laws, statutes, regulations, rules, codes, orders, ordinances, treaties, conventions, judgements, awards, determinations, directives, orders and decrees applicable to a Credit Party, its business or its property,

undertaking and assets, including, without limitation, environmental laws and pension plan and other employee plan matters.

“Litigation” means any judgment, writ of execution, order, notice of deficiency, injunction or directive rendered, and any notice of infraction, action, suit, proceeding or investigation pending or threatened, in each case against a Credit Party or any of its property or assets.

“Material Contracts” means any contract or agreement entered into by any Credit Party in respect of which any material breach or default or any termination or non-renewal would reasonably be expected to have a Material Adverse Effect under clause (i) or (ii) of the definition thereof, as such contracts or agreements may be amended, supplemented, restated, replaced or otherwise modified from time to time to the extent permitted under the Documentation.

“Material Adverse Effect” means a material adverse effect on (i) the business, assets, results of operations, prospects or condition (financial or otherwise) of any Credit Party, (ii) the ability of each Credit Party to perform its obligations under the Documentation, or (iii) the legality, validity, binding nature or enforceability of the rights, remedies or recourses of BMO under any of the Documentation.

“Obligations” means all debts, liabilities and obligations owed to Bank of Montreal, BMO Bank N.A. and Bank of Montreal’s other affiliates and their successors under or in connection with the Facilities, this Letter of Agreement (as amended, restated or renewed from time to time) or any other Documentation (in principal, interest, fees, premiums, penalties, costs, losses, expenses and other charges) and includes any indemnity obligations owed by Bank of Montreal to any of its affiliates in relation to the Facilities.

“Prime Rate” means the rate of interest announced from time to time by BMO as its reference rate then in effect for determining rates of interest charged on Canadian dollar loans made to its customers in Canada and designated as its prime rate.

“Taxes” means all taxes, duties, assessments, imposts, levies and similar charges and claims imposed upon a Credit Party, its income or profits, or upon any properties belonging to it (including, without limitation, corporate, GST, HST, sales tax, real property taxes and other withholdings, deductions and related liabilities).

“Term CORRA Administrator” Means Candeal Benchmark Administration Services Inc., TSX Inc., or any successor administrator.

“Term CORRA” Means the forward-looking term rate based on CORRA (**“Term CORRA Reference Rate”**) for a period comparable to the applicable interest period of 1 or 3 months on the day (such day, the **“Periodic Term CORRA Determination Day”**) that is 2 Business Days prior to the first day of such interest period, as such rate is published by the Term CORRA Administrator; provided that if as of 1:00 p.m. (Toronto time) on any Periodic Term CORRA Determination Day the Term CORRA Reference Rate for the applicable period has not been published by the Term CORRA Administrator and a Benchmark Replacement Date with respect to the Term CORRA Reference Rate has not occurred, then Term CORRA will be the Term CORRA Reference Rate for such period as published by the Term CORRA Administrator on the first preceding Business Day for which such Term CORRA Reference Rate for such period was published by the Term CORRA Administrator so long as such first preceding Business Day is not more than 3 Business Days prior to such Periodic Term CORRA Determination Day. If a floor is stipulated in this Letter of Agreement, then Term CORRA will never be less than the floor. If there is no such floor, then Term CORRA shall never be less than 0%.

“Term SOFR” Means, for an interest period of 1, 3 or 6 months, the rate per annum determined by BMO as the forward-looking term rate based on the secured overnight financing rate administered by the US Federal Reserve Bank of New York (or a successor administrator selected by BMO) that is 2 U.S. Government Securities Business Days before the start of the chosen interest period (or, if such rate is not ascertainable on such date, the immediately preceding U.S. Government Securities Business Day). Each determination of Term SOFR by BMO shall be conclusive and binding absent manifest error.

“US Base Rate” means the rate of interest announced from time to time by BMO as its reference rate then in effect for determining rates of interest charged on U.S. Dollar loans made to its customers in Canada and designated as its U.S. base rate.

EXHIBIT C

PROPERTY DESCRIPTION: LT 12 PL 303 CITY WEST SAVE AND EXCEPT PART 1 EXPRO PLAN AT6737057; SUBJECT TO AN EASEMENT IN GROSS OVER PART 2 EXPRO PLAN AT6737057 AS IN AT6737057; CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

DIVISION FROM 21239-0245

PIN CREATION DATE:

2025/01/17

OWNERS' NAMES

LEATO ENTERPRISE LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2025/01/17 **						
**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: 2003/05/26 **						
AT5008303	2018/11/15	TRANSFER	\$2,375,000	RONDUN CORP.	LEATO ENTERPRISE LTD.	C
REMARKS: PLANNING ACT STATEMENTS.						
66R33564	2023/09/07	PLAN REFERENCE				C
REMARKS: STRATA						
AT6487032	2023/12/27	NOTICE		METROLINX		C
REMARKS: DESIGNATION OF TRANSIT CORRIDOR						
AT6577351	2024/05/23	CHARGE	\$2,800,000	LEATO ENTERPRISE LTD.	BANK OF MONTREAL	C
AT6577352	2024/05/23	NO ASSGN RENT GEN		LEATO ENTERPRISE LTD.	BANK OF MONTREAL	C
REMARKS: AT6577351						
AT6722314	2024/12/19	CERTIFICATE		METROLINX		C
AT6737057	2025/01/17	PLAN EXPROPRIATION			METROLINX	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.

21239-0660 (LT)

* 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
	REMARKS: STRATA	1 & 2				

EXHIBIT D

Properties

PIN21239 - 0245 LTInterest/EstateFee Simple

DescriptionLT 12 PL 303 CITY WEST; CITY OF TORONTO

Address507 QUEEN ST W
TORONTO

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.

NameLEATO ENTERPRISE LTD.

Address for Service693 Queen Street West, Toronto,
Ontario M6J 1E6

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)CapacityShare

NameBANK OF MONTREAL

Address for ServiceFirst Canadian Place
100 King Street West
19th Floor
Toronto, Ontario M5X 1A1

Statements

The text added or imported if any, is legible and relates to the parties in this document.

Provisions

Principal\$2,800,000.00CurrencyCDN

Calculation Period

Balance Due DateOn Demand

Interest RateChargee's Prime Rate + 5.00% per annum

Payments

Interest Adjustment Date

Payment DateOn Demand

First Payment Date

Last Payment Date

Standard Charge Terms201607

Insurance AmountFull insurable value

Guarantor

Additional Provisions

See Schedules

Signed By

Gurinder Panesar1000-120 Adelaide St. W.acting forSigned2024 05 23
Toronto
M5H 3V1Chargor(s)

Tel416-363-2211

Fax416-363-0645

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

Submitted By

Schneider Ruggiero Spencer Milburn LLP1000-120 Adelaide St. W.2024 05 23
Toronto
M5H 3V1

Tel416-363-2211

Fax416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee	\$69.95
Total Paid	\$69.95

File Number

Chargee Client File Number :

46341 GP/JD

SCHEDULE OF ADDITIONAL MORTGAGE TERMS

This Charge/Mortgage is given as collateral security to a facility letter dated May 21, 2024, as it may be amended from time to time (the “**Facility Letter**”) and all loan documents delivered pursuant thereto (collectively, the Facility Letter and loan documents are referred to as the “**Loan Documents**”). Default under the Loan Documents shall constitute default under this Charge/Mortgage allowing the Chargee to avail itself to and to utilize any and all remedies with respect to the lands charged available to it as set out in the Standard Charge Terms incorporated into the Charge/Mortgage and as may be available to it under the Loan Documents, statute or in law.

“**Chargee’s Prime Rate**” shall mean the floating annual rate of interest established and recorded as such by the Chargee from time to time as a reference rate for purposes of determining rates of interest it will charge on similar loans denominated in Canadian dollars.

The Chargor covenants and agrees that it shall not, without the prior written consent of the Chargee, execute or deliver any mortgage, charge, lien or other encumbrance of the property municipally known as 507 Queen Street West, Toronto, Ontario and legally described in PIN 21239-0245(LT) (the “**Charged Premises**”) intended to rank subordinate to this Charge.

The Charge shall, whether or not it secures a current or running account, be a general and continuing security to the Chargee for payment of the indebtedness in an amount not exceeding the amount secured by this Charge and performance of the Chargee’s other obligations under the Charge notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness or in the accounts relating thereto or in the bills of exchange, promissory notes and/or other obligations now or later held by the Chargee representing all or any part of the indebtedness outstanding at any particular time; and the Charge will not be deemed to have been redeemed or become void as a result of any such event or circumstance.

In the event the Chargor sells, conveys, transfers or enters into an agreement for the sale or transfer of title of the Charged Premises (or there is a change in corporate or beneficial ownership of the Chargor not approved of in writing by the Chargee) to a purchaser or transferee not approved of in writing by the Chargee, which approval will not be unreasonably withheld, the principal amount of the facilities noted in the Facility Letter and all other indebtedness secured by this Charge with accrued interest thereon and the costs to unwind any interest rate swaps shall, at the option of the Chargee, become immediately due and payable

In the event of conflict between the Facility Letter and the terms of this Charge, the provisions of the Facility Letter shall prevail; provided that any provision herein contained that is not contained in the Facility Letter and vice versa shall not in and of itself be considered to be inconsistent or in conflict.

EXHIBIT E

Properties

PIN

21239 - 0245 LT

Description

LT 12 PL 303 CITY WEST; CITY OF TORONTO

Address

507 QUEEN ST W
TORONTO

Applicant(s)

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

Name

LEATO ENTERPRISE LTD.

Address for Service

693 Queen Street West, Toronto,
Ontario M6J 1E6

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

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

Party To(s)	Capacity	Share
Name BANK OF MONTREAL Address for Service First Canadian Place 100 King Street West 19th Floor Toronto, Ontario M5X 1A1		

Statements

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

This notice may be deleted by the Land Registrar when the registered instrument, AT6577351 registered on 2024/05/23 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Gurinder Panesar

1000-120 Adelaide St. W.
Toronto
M5H 3V1

acting for
Applicant(s)

Signed

2024 05 23

Tel

416-363-2211

Fax

416-363-0645

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

Gurinder Panesar

1000-120 Adelaide St. W.
Toronto
M5H 3V1

acting for
Party To(s)

Signed

2024 05 23

Tel

416-363-2211

Fax

416-363-0645

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

Submitted By

Schneider Ruggiero Spencer Milburn LLP

1000-120 Adelaide St. W.
Toronto
M5H 3V1

2024 05 23

Tel

416-363-2211

Fax

416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee

\$69.95

Total Paid

\$69.95

File Number

Party To Client File Number :

46341 GP/JD

**GENERAL ASSIGNMENT
OF RENTS**

TO: BANK OF MONTREAL

RE: Bank of Montreal (the "**Lender**") loan/first mortgage to Leato Enterprise Ltd. (the "**Borrower**"), guarantee by Diana Choi (the "**Guarantor**"), pursuant to a facility letter dated May 21, 2024, as it may be amended from time to time (the "**Facility Letter**"), relating to the property municipally known as 507 Queen Street West, Toronto, Ontario and legally described in PIN 21239-0245(LT) (the "**Property**")

1. RECITALS

1.1 Description of Mortgage

Pursuant to the Facility Letter, the Borrower (the "**Assignor**") has borrowed or agreed to borrow from the Lender (the "**Assignee**") the amounts set out therein (the "**Loan**") and has agreed to execute and deliver to the Assignee a certain mortgage (the "**Mortgage**") in the face amount Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) given by the Assignor to the Assignee registered or to be registered in the Registry Office for the Land Titles Division of Toronto and affecting the lands legally described in PIN 21239-0245(LT) (the "**Mortgaged Premises**"), and has covenanted to repay the Loan together with interest thereon at the rate, in the manner and amounts and at the times specified in the Mortgage, and to perform the terms, covenants and provisions contained in the Mortgage.

2. GRANTING CLAUSES

2.1 To secure the payment of the Mortgage and to assure performance of the agreements contained herein and in the Mortgage, the Assignor assigns to Assignee, the Assignor's right, title and interest in:

- (a) All oral and written leases, offers to lease with, or other agreements for use or occupancy made to or agreed to by any person or entity (including without limitation of the foregoing, the Assignor and Assignee under the powers granted herein), and any and all amendments, extensions, renewals, modifications and replacements thereof pertaining to all or any part of the Mortgaged Premises, whether such leases or other agreements have heretofore been made or as are in the future made or agreed to (such leases, offers to lease and other use or occupancy agreements being referred to as (the "**Leases**"));
- (b) The rents, issues and profits (collectively the "**Rents**") which may hereafter become due pursuant to any of the Leases pertaining to all or any part of the Mortgaged Premises;
- (c) All rights, powers, privileges, options and other benefits (collectively the "**Rights**") of the Assignor under the Leases, including without limitation the following:
 - (i) The right upon default under the Leases to receive and collect all Rents, income, revenues, insurance proceeds, condemnation awards, moneys and security deposits or the like pursuant to any of the provisions thereof, whether as Rents or otherwise (except sums payable directly to any person other than the lessor thereunder);
 - (ii) The right to make all waivers and agreements, including waivers of obligations of lessees;
 - (iii) The right to give all notices, permissions, consents and releases, including consent to the subordination of the interest of a lessee;
 - (iv) The right to take such action upon the happening of a default under the Leases (including the commencement, conduct and consummation of proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;

- (v) The right to do any and all other things whatsoever which the Assignor, as lessor, is or may become entitled to under the Leases; and
- (vi) The right to exercise any option; and
- (d) Any and all guarantees (the "**Guarantees**") of any of the Leases, and the rights, powers, privileges and other benefits of the Assignor under the Guarantees;

and the Assignor authorizes the Assignee in the event of the Assignor's Default:

- (e) To manage the Mortgaged Premises and let and relet the Mortgaged Premises, or any part thereof according to the Assignee's own discretion;
- (f) To prosecute or defend any suits in connection with the Mortgaged Premises in the name of either or both of the Assignee or the Assignor as it may consider desirable;
- (g) To enforce or take any other action in connection with the Leases in the name of either or both of the Assignee or the Assignor;
- (h) To make such repairs to the Mortgaged Premises as the Assignee may deem advisable; and
- (i) To do anything in or about the Mortgaged Premises that the Assignee may reasonably deem advisable and that the Assignor has the right or power to do.

3. COVENANTS, REPRESENTATIONS AND WARRANTIES

3.1 Power Coupled with Interest

This Assignment of Leases and Rents (including without limitation the appointment in section 3.5) confers upon the Assignee a power coupled with an interest and cannot be revoked by the Assignor.

3.2 Title

The Assignor warrants that during the term of the Mortgage the Assignor will be the sole owner of the entire lessor's interest in the Leases and will have full right to assign such Leases and the Rents due or to become due thereunder; that there will be no previous assignments thereof; that said Leases will be valid and enforceable and will not have been altered, modified or amended in any manner whatsoever; that the lessees are not in default under any of the terms, covenants or conditions thereof and that such lessees will have no defences, set-offs or counterclaims against the lessor; that no rent reserved in said Leases will have been assigned in priority to this assignment and that no rent for any period subsequent to the date of this assignment will have been collected in advance of the time when the said rent became payable under the terms of the said Leases, save and except for prepaid rent, which shall not exceed one month, and security deposits set out in the Leases.

3.3 Management

The Assignor covenants to observe and perform all the obligations imposed upon the lessor under the Leases and not to do or permit to be done anything to impair the security thereof; to cause the Mortgaged Premises to be maintained and managed in accordance with sound business practices; not to collect any of the rent, income and profits arising or accruing under the said Leases or from the Mortgaged Premises in advance of the time when the same shall become due, save and except for prepaid rent which shall not exceed one month and security deposits set out in the Leases; not to subordinate said Leases to any mortgage or such other encumbrance or permit, consent or agree to such subordination in priority or pari passu to executed security in favour of the Assignee, not to alter, modify, amend or change, other than in the ordinary course of business, or default under the terms of said Leases or, other than in the ordinary course of business, give any consent, concession or waiver or exercise any option of the lessor permitted by such terms or, other than in the ordinary course of business, cancel or terminate said Leases or accept the surrender thereof or convey or transfer or suffer or permit a conveyance or transfer of the premises demised thereby or of any interest therein so as to effect directly or indirectly, promptly or remotely a merger of the estates and rights of, or a termination or elimination of the obligations of lessees thereunder in priority or pari passu to executed security in favour of the Assignee; not to waive, alter, modify or change the terms of any Guarantees of said Leases or cancel or terminate such Guarantees, in each case, other than in the ordinary course of business; not to consent to any

assignment of or subletting under said Leases by the lessee in priority or pari passu to executed security in favour of the Assignee, except to the extent that any such lease provides that the consent of the lessor shall not be unreasonably withheld; at the Assignee's request, to execute and deliver all such further assurances and assignments as the Assignee shall from time to time reasonably require; to cause prompt action, including legal proceedings for enforcement of any of the Leases and all other remedies available to lessor thereunder, to be commenced against any delinquent lessee as soon as reasonably necessary to protect such lessor's interest.

3.4 Notice of Lessor's Default

The Assignor shall cause notice to be given to the Assignee of any default by the lessor known to the lessor under any of the Leases promptly upon the occurrence of such default, but in all events in sufficient time to afford to the Assignee an opportunity to cure any such default prior to the lessee under the subject lease having any right to terminate the lease by reason of such default.

3.5 Assignee to be Creditor of Lessee

The Assignee shall be and be deemed to be the creditor of each lessee in the Leases in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution, or receivership proceedings affecting such lessee (without obligation on the part of the Assignee, however, to file or make timely filings of claims in such proceedings or otherwise to pursue creditor's rights therein) and the Assignor hereby assigns as further security to the Assignee any such money or award and any and all payments made or payable by lessees in lieu of rent with option to the Assignee to apply any such money or award or payments received by the Assignee in reduction of the indebtedness secured by or to be paid under the Mortgage. The Assignor hereby appoints the Assignee as its irrevocable attorney-in-fact to appear after a default in any action and/or collect any such money, award or payment.

4. DEFAULTS AND REMEDIES

4.1 Defaults

Each of the following shall constitute a default ("**Default**") under this Assignment of Leases and Rents:

- (a) The untruth or inaccuracy of any representation or warranty made by the Assignor herein, the failure by the Assignor to perform in a full and timely manner any of Assignor's obligations of whatever nature under this Assignment of Leases and Rents or the Mortgage or the breach of any of the Assignor's covenants contained in this Assignment of Leases and Rents;
- (b) The default by the Assignor under any of the Leases; and
- (c) The default by the Assignor under the Mortgage.

4.2 Exercise of the Assignment of Leases and Rents

- (a) Until Default shall have been made in payment of any sum as provided in the Mortgage or until the breach of any covenant, representation or agreement contained in the Mortgage, the Assignor shall be entitled to receive all Rents and other amounts payable, and to exercise all of the lessor's rights, under the Leases and Guarantees;
- (b) In the event of Default then in addition to the rights hereby assigned to the Assignee the Assignee may collect the Rents and/or manage the Mortgaged Premises without regard to the adequacy of the security and without waiving such Default;
- (c) In the event the Assignee elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Assignor such rights, this Assignment of Leases and Rents shall in no respect be terminated but instead remain in full force and effect until the indebtedness represented by the Mortgage is paid in full, it being the intent of the parties that Assignee shall, from time to time upon the occurrence of any Default, have all the rights granted hereby.

4.3 Nature of Remedies

No delay or omission on the part of the Assignee in the exercise of any remedy for a Default shall operate as a waiver hereof. The remedies available to the Assignee under this Assignment of Leases and Rents shall be in addition to, and exercisable in any combination with, any and all remedies available by operation of law and under the Mortgage.

The said remedies shall be cumulative and concurrent and not alternative, may be pursued separately, successively or together against the Assignor, against the Mortgaged Premises or any of them at sole discretion of Assignee and may be exercised as often as occasion therefor shall arise.

4.4 Application of Rents

The Assignee shall have the power to apply the Rents, in such order as the Assignee may determine, to the payment of the indebtedness represented by the Mortgage and also toward the payment of any and all sums, monies, costs, charges and expenses incurred by the Assignee in exercise of any of its rights under the Mortgage and all reasonable expenses for the care and management of the Mortgaged Premises, including taxes, insurance, assessments, usual and customary commissions to a real estate broker for leasing real estate and collecting rents, and the reasonable expenses and fees of all attorneys, solicitors, agents and servants, which expenses may be reasonably necessary to exercise the powers granted to the Assignee hereunder. The receipt by Assignee of any Rents pursuant to this Assignment after a Default hereunder and the exercise of any remedies provided for in the Mortgage or hereunder shall not cure such Default or affect or prejudice the exercise of such remedies.

4.5 Limitation of Assignee's Obligations

The Assignee's obligations as to any Rents actually collected shall be discharged by application of such Rents for any of the purposes described in this Assignment of Leases and Rents. The Assignee shall not be liable for uncollected rents or for any claim for damages or set-off arising out of the Assignee's management of the Mortgaged Premises. The Assignee shall not be liable to any lessee for the return of any security deposit made under any lease of any portion of the Mortgaged Premises unless the Assignee shall have received such security deposit from the lessor or such lessee. The Assignee shall not by reason of this Assignment of Leases and Rents or the exercise of any right granted herein be obligated to perform any obligation of the lessor under any of the Leases, nor shall the Assignee be responsible for any act committed by the lessor, or any breach or failure to perform by the lessor with respect to any of the Leases. Nothing contained herein shall be deemed to have the effect of making the Assignee an Assignee in possession of the Mortgaged Premises or any part thereof.

4.6 Reimbursement

The Assignor shall reimburse, indemnify and hold harmless the Assignee for and from any and all expenses, losses, damages and liabilities which the Assignee may reasonably incur by reason of this Assignment, any of the Leases or expenses, losses, damages and liabilities incurred in exercising any of the rights granted in this Assignment.

4.7 Authorization to Lessees

Each present and future lessee under any of the Leases is hereby authorized and directed to pay the rent payable thereunder to the Assignee upon written demand from Assignee stating that a Default has occurred under this Assignment of Leases and Rents or the Mortgage without inquiry as to whether any such Default has occurred or whether Assignee is rightfully entitled to such rent.

4.8 Discharge

The registration of a Discharge of the Mortgage shall constitute a deemed reassignment of the Leases, Rents and other matters assigned hereunder.

5. MISCELLANEOUS

5.1 Modification of Loan Terms

If the time of payment of all indebtedness secured under the Mortgage or any part thereof is extended at any time or times, if the Mortgage is renewed, modified or replaced or if any

security for the Mortgage is released, the Assignor and any other parties now or hereafter liable therefor or interested in the Mortgaged Premises shall be held to consent to such extensions, renewals, modifications, replacements and releases and their liability and the lien hereof shall not be released and the rights created hereby and thereby shall continue in full force, the right of recourse against all such parties being reserved by the Assignee.

5.2 Successors and Assigns

This Assignment of Leases and Rents shall enure to the benefit of and be binding upon the successors and assigns of the Assignor and the Assignee and all persons and entities (including owners and lessees) which may hereafter obtain any interest in the Mortgaged Premises.

5.3 No Merger

Notwithstanding the conveyance or transfer of title to any or all of the Mortgaged Premises to any lessee under any of the Leases, the lessee's leasehold estate under such lease shall not merge into the fee estate and the lessee shall remain obligated under such lease as assigned by this Assignment.

5.4 Notices

Whenever the Assignee or the Assignor desires to give any notice to the other, it shall be sufficient for all purposes if such notice is personally delivered or sent by courier addressed to the intended recipient at the last address theretofore specified by the addressee in a written notice given to the sender. In case no other address has been so specified, notices hereunder shall be delivered or mailed to the following addresses:

Assignee:

Bank of Montreal
First Canadian Place
100 King Street West
19th Floor
Toronto, Ontario M5X 1A1

Assignor:

Leato Enterprise Ltd.
Attention: Diana Choi
693 Queen Street West
Toronto, Ontario M6J 1E6

Any notice given in the manner specified herein shall be deemed to have been given on the day it is personally delivered or sent by courier.

Any notice given in the manner specified herein shall be deemed to have been given on the day it is personally delivered or sent by courier.

5.5 Governing Law

This Assignment of Leases and Rents shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5.6 Severability

If any term or provision contained in this Assignment of Leases and Rents or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Assignment of Leases and Rents or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Assignment of Leases and Rents shall be valid and enforceable to the fullest extent permitted by law.

5.7 Captions

The captions preceding the text of the paragraphs or sub-paragraphs of this Assignment of Leases and Rents are inserted only for convenience of reference and shall not

constitute a part of this Assignment of Leases and Rents, nor shall they in any way affect its meaning, construction or effect.

5.8 Time of the Essence

Time shall be of the essence in this Assignment in all respects.

5.9 Conflict Clause

In the event of conflict between the Facility Letter and the terms hereinbefore set forth, the provisions of the Facility Letter shall prevail; provided that any provision hereinbefore contained that is not contained in the Facility Letter and vice versa shall not in and of itself be considered to be inconsistent or in conflict.

EXHIBIT F

PROPERTY DESCRIPTION: LT 5 PL D113 TORONTO; CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

2003/06/23

OWNERS' NAMES

LEATO ENTERPRISE LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2003/06/20 **						
**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: 2003/06/23 **						
CA799238	2003/02/27	TRANSFER		*** COMPLETELY DELETED ***	MITIC, SPOMENKA	
CA799239	2003/02/27	CHARGE		*** COMPLETELY DELETED ***	KASZIRER, ROZALIA	
AT739764	2005/02/25	CHARGE		*** COMPLETELY DELETED *** MITIC, SPOMENKA	BANK OF MONTREAL	
AT739765	2005/02/25	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** BANK OF MONTREAL	MITIC, SPOMENKA	
REMARKS: AT739764						
AT740381	2005/02/25	DISCH OF CHARGE		*** COMPLETELY DELETED *** KASZIRER, ROZALIA		
REMARKS: RE: CA799239						
AT2660803	2011/04/06	TRANSFER	\$1,495,000	MITIC, SPOMENKA	LEATO ENTERPRISE LTD	C
AT2660804	2011/04/06	CHARGE		*** COMPLETELY DELETED ***		

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT2660830	2011/04/06	NO ASSGN RENT GEN		LEATO ENTERPRISE LTD *** COMPLETELY DELETED *** LEATO ENTERPRISE LTD	HOME TRUST COMPANY HOME TRUST COMPANY	C
REMARKS: AT2660804.						
AT2680648	2011/05/02	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
REMARKS: AT739764.						
AT3260288	2013/03/21	APL CH NAME OWNER		LEATO ENTERPRISE LTD	LEATO ENTERPRISE LTD.	
AT3260353	2013/03/21	CHARGE		*** COMPLETELY DELETED *** LEATO ENTERPRISE LTD.	ROYAL BANK OF CANADA	
AT3260371	2013/03/21	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** LEATO ENTERPRISE LTD.	ROYAL BANK OF CANADA	
REMARKS: AT3260353.						
AT3283718	2013/04/25	DISCH OF CHARGE		*** COMPLETELY DELETED *** HOME TRUST COMPANY		
REMARKS: AT2660804.						
AT4352424	2016/09/26	CHARGE		*** COMPLETELY DELETED *** LEATO ENTERPRISE LTD.	ROYAL BANK OF CANADA	
AT4352434	2016/09/26	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** LEATO ENTERPRISE LTD.	ROYAL BANK OF CANADA	
REMARKS: AT4352424. RENTS						
AT4389386	2016/11/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: AT3260353.						
AT4909760	2018/07/16	CHARGE		*** COMPLETELY DELETED *** LEATO ENTERPRISE LTD.	ROYAL BANK OF CANADA	
AT4909783	2018/07/16	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** LEATO ENTERPRISE LTD.	ROYAL BANK OF CANADA	
REMARKS: AT4909760						
AT5275384	2019/10/30	CHARGE		*** COMPLETELY DELETED *** LEATO ENTERPRISE LTD.	COMPUTERSHARE TRUST COMPANY OF CANADA	

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
AT5275385	2019/10/30	NO ASSGN RENT GEN	\$3,200,000	*** COMPLETELY DELETED *** LEATO ENTERPRISE LTD.	COMPUTERSHARE TRUST COMPANY OF CANADA	
REMARKS: AT5275384						
AT5286364	2019/11/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: AT4352424.						
AT5336538	2020/01/08	NOTICE		*** COMPLETELY DELETED *** LEATO ENTERPRISE LTD.	COMPUTERSHARE TRUST COMPANY OF CANADA	
REMARKS: AT5275384						
AT5376681	2020/02/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: AT4909760.						
AT6690335	2024/11/01	CHARGE		LEATO ENTERPRISE LTD.	BANK OF MONTREAL	C
AT6690336	2024/11/01	NO ASSGN RENT GEN		LEATO ENTERPRISE LTD.	BANK OF MONTREAL	C
REMARKS: AT6690335						
AT6697447	2024/11/13	DISCH OF CHARGE		*** COMPLETELY DELETED *** COMPUTERSHARE TRUST COMPANY OF CANADA		
REMARKS: AT5275384.						

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.

EXHIBIT G

Properties

PIN	21242 - 0075	LT	Interest/Estate	Fee Simple
Description	LT 5 PL D113 TORONTO; CITY OF TORONTO			
Address	693 QUEEN ST W TORONTO			

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	LEATO ENTERPRISE LTD.
Address for Service	693 Queen Street West Toronto, Ontario, M6J 1E6

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	BANK OF MONTREAL	
Address for Service	100 King Street West, 19th Floor Toronto, Ontario, M5X 1A1	

Statements

Schedule: See Schedules

The text added or imported if any, is legible and relates to the parties in this document.

Provisions

Principal	\$3,200,000.00	Currency	CDN
Calculation Period	Monthly, not in advance		
Balance Due Date	On Demand		
Interest Rate	Chargee's Prime Rate + 5.00% per annum		
Payments			
Interest Adjustment Date			
Payment Date	On Demand		
First Payment Date			
Last Payment Date			
Standard Charge Terms	201607		
Insurance Amount	Full insurable value		
Guarantor			

Signed By

Stefania Nicole Mariani	1000-120 Adelaide St. W. Toronto M5H 3V1	acting for Chargor(s)	Signed	2024 11 01
Tel	416-363-2211			
Fax	416-363-0645			

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

Submitted By

Schneider Ruggiero Spencer Milburn LLP	1000-120 Adelaide St. W. Toronto M5H 3V1	2024 11 01
Tel	416-363-2211	
Fax	416-363-0645	

Fees/Taxes/Payment

Statutory Registration Fee	\$69.95
Total Paid	\$69.95

File Number

Chargee Client File Number : 46904

SCHEDULE OF ADDITIONAL MORTGAGE TERMS

This Charge/Mortgage is given as collateral security to a facility letter dated October 22, 2024, as it may be amended from time to time (the “**Facility Letter**”) and all loan documents delivered pursuant thereto (collectively, the Facility Letter and loan documents are referred to as the “**Loan Documents**”). Default under the Loan Documents shall constitute default under this Charge/Mortgage allowing the Chargee to avail itself to and to utilize any and all remedies with respect to the lands charged available to it as set out in the Standard Charge Terms incorporated into the Charge/Mortgage and as may be available to it under the Loan Documents, statute or in law.

“**Chargee’s Prime Rate**” shall mean the floating annual rate of interest established and recorded as such by the Chargee from time to time as a reference rate for purposes of determining rates of interest it will charge on similar loans denominated in Canadian dollars.

The Chargor covenants and agrees that it shall not, without the prior written consent of the Chargee, execute or deliver any mortgage, charge, lien or other encumbrance of the property municipally known as 693 Queen Street West, Toronto, Ontario and legally described in PIN 21242-0075(LT) (the “**Charged Premises**”) intended to rank subordinate to this Charge.

The Charge shall, whether or not it secures a current or running account, be a general and continuing security to the Chargee for payment of the indebtedness in an amount not exceeding the amount secured by this Charge and performance of the Chargee’s other obligations under the Charge notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness or in the accounts relating thereto or in the bills of exchange, promissory notes and/or other obligations now or later held by the Chargee representing all or any part of the indebtedness outstanding at any particular time; and the Charge will not be deemed to have been redeemed or become void as a result of any such event or circumstance.

In the event the Chargor sells, conveys, transfers or enters into an agreement for the sale or transfer of title of the Charged Premises (or there is a change in corporate or beneficial ownership of the Chargor not approved of in writing by the Chargee) to a purchaser or transferee not approved of in writing by the Chargee, which approval will not be unreasonably withheld, the principal amount of the facilities noted in the Facility Letter and all other indebtedness secured by this Charge with accrued interest thereon and the costs to unwind any interest rate swaps shall, at the option of the Chargee, become immediately due and payable

In the event of conflict between the Facility Letter and the terms of this Charge, the provisions of the Facility Letter shall prevail; provided that any provision herein contained that is not contained in the Facility Letter and vice versa shall not in and of itself be considered to be inconsistent or in conflict.

EXHIBIT H

Properties

PIN

21242 - 0075 LT

Description

LT 5 PL D113 TORONTO; CITY OF TORONTO

Address

693 QUEEN ST W
TORONTO

Applicant(s)

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

Name

LEATO ENTERPRISE LTD.

Address for Service

693 Queen Street West
Toronto, Ontario, M6J 1E6

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

Party To(s)

Capacity

Share

Name

BANK OF MONTREAL

Address for Service

100 King Street West, 19th Floor
Toronto, Ontario, M5X 1A1

Statements

The applicant applies for the entry of a notice of general assignment of rents.
This notice may be deleted by the Land Registrar when the registered instrument, AT6690335 registered on 2024/11/01 to which this notice relates is deleted
Schedule: See Schedules

Signed By

Stefania Nicole Mariani

1000-120 Adelaide St. W.
Toronto
M5H 3V1

acting for
Applicant(s)

Signed

2024 11 01

Tel

416-363-2211

Fax

416-363-0645

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

Stefania Nicole Mariani

1000-120 Adelaide St. W.
Toronto
M5H 3V1

acting for
Party To(s)

Signed

2024 11 01

Tel

416-363-2211

Fax

416-363-0645

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

Submitted By

Schneider Ruggiero Spencer Milburn LLP

1000-120 Adelaide St. W.
Toronto
M5H 3V1

2024 11 01

Tel

416-363-2211

Fax

416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee

\$69.95

Total Paid

\$69.95

File Number

Party To Client File Number :

46904

**GENERAL ASSIGNMENT
OF RENTS**

TO: BANK OF MONTREAL

RE: Bank of Montreal (the "**Lender**") loan/first mortgage to Leato Enterprise Ltd. (the "**Borrower**"), as guaranteed by Diana Choi and Andy To (collectively, the "**Guarantors**"), pursuant to a facility letter dated October 22, 2024, as it may be amended from time to time (the "**Facility Letter**"), relating to the properties municipally known as 507 Queen Street West, Toronto, Ontario and legally described in PIN 21239-0245(LT); and 693 Queen Street West, Toronto, Ontario and legally described in PIN 21242-0075(LT) (693 Queen Street West is hereinafter the "**Property**")

1. RECITALS

1.1 Description of Mortgage

Pursuant to the Facility Letter, the Borrower (the "**Assignor**") has borrowed or agreed to borrow from the Lender (the "**Assignee**") the amounts set out therein (the "**Loan**") and has agreed to execute and deliver to the Assignee a certain mortgage (the "**Mortgage**") in the face amount of Three Million Two Hundred Thousand Dollars (\$3,200,000.00) given by the Assignor to the Assignee registered or to be registered in the Registry Office for the Land Titles Division of Toronto and affecting the lands legally described in PIN 21242-0075(LT) (the "**Mortgaged Premises**"), and has covenanted to repay the Loan together with interest thereon at the rate, in the manner and amounts and at the times specified in the Mortgage, and to perform the terms, covenants and provisions contained in the Mortgage.

2. GRANTING CLAUSES

2.1 To secure the payment of the Mortgage and to assure performance of the agreements contained herein and in the Mortgage, the Assignor assigns to Assignee, the Assignor's right, title and interest in:

- (a) All oral and written leases, offers to lease with, or other agreements for use or occupancy made to or agreed to by any person or entity (including without limitation of the foregoing, the Assignor and Assignee under the powers granted herein), and any and all amendments, extensions, renewals, modifications and replacements thereof pertaining to all or any part of the Mortgaged Premises, whether such leases or other agreements have heretofore been made or as are in the future made or agreed to (such leases, offers to lease and other use or occupancy agreements being referred to as (the "**Leases**");
- (b) The rents, issues and profits (collectively the "**Rents**") which may hereafter become due pursuant to any of the Leases pertaining to all or any part of the Mortgaged Premises;
- (c) All rights, powers, privileges, options and other benefits (collectively the "**Rights**") of the Assignor under the Leases, including without limitation the following:
 - (i) The right upon default under the Leases to receive and collect all Rents, income, revenues, insurance proceeds, condemnation awards, moneys and security deposits or the like pursuant to any of the provisions thereof, whether as Rents or otherwise (except sums payable directly to any person other than the lessor thereunder);
 - (ii) The right to make all waivers and agreements, including waivers of obligations of lessees;
 - (iii) The right to give all notices, permissions, consents and releases, including consent to the subordination of the interest of a lessee;
 - (iv) The right to take such action upon the happening of a default under the Leases (including the commencement, conduct and consummation of

proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;

- (v) The right to do any and all other things whatsoever which the Assignor, as lessor, is or may become entitled to under the Leases; and
- (vi) The right to exercise any option; and
- (d) Any and all guarantees (the "**Guarantees**") of any of the Leases, and the rights, powers, privileges and other benefits of the Assignor under the Guarantees;

and the Assignor authorizes the Assignee in the event of the Assignor's Default:

- (e) To manage the Mortgaged Premises and let and relet the Mortgaged Premises, or any part thereof according to the Assignee's own discretion;
- (f) To prosecute or defend any suits in connection with the Mortgaged Premises in the name of either or both of the Assignee or the Assignor as it may consider desirable;
- (g) To enforce or take any other action in connection with the Leases in the name of either or both of the Assignee or the Assignor;
- (h) To make such repairs to the Mortgaged Premises as the Assignee may deem advisable; and
- (i) To do anything in or about the Mortgaged Premises that the Assignee may reasonably deem advisable and that the Assignor has the right or power to do.

3. COVENANTS, REPRESENTATIONS AND WARRANTIES

3.1 Power Coupled with Interest

This Assignment of Leases and Rents (including without limitation the appointment in section 3.5) confers upon the Assignee a power coupled with an interest and cannot be revoked by the Assignor.

3.2 Title

The Assignor warrants that during the term of the Mortgage the Assignor will be the sole owner of the entire lessor's interest in the Leases and will have full right to assign such Leases and the Rents due or to become due thereunder; that there will be no previous assignments thereof; that said Leases will be valid and enforceable and will not have been altered, modified or amended in any manner whatsoever; that the lessees are not in default under any of the terms, covenants or conditions thereof and that such lessees will have no defences, set-offs or counterclaims against the lessor; that no rent reserved in said Leases will have been assigned in priority to this assignment and that no rent for any period subsequent to the date of this assignment will have been collected in advance of the time when the said rent became payable under the terms of the said Leases, save and except for prepaid rent, which shall not exceed one month, and security deposits set out in the Leases.

3.3 Management

The Assignor covenants to observe and perform all the obligations imposed upon the lessor under the Leases and not to do or permit to be done anything to impair the security thereof; to cause the Mortgaged Premises to be maintained and managed in accordance with sound business practices; not to collect any of the rent, income and profits arising or accruing under the said Leases or from the Mortgaged Premises in advance of the time when the same shall become due, save and except for prepaid rent which shall not exceed one month and security deposits set out in the Leases; not to subordinate said Leases to any mortgage or such other encumbrance or permit, consent or agree to such subordination in priority or pari passu to executed security in favour of the Assignee, not to alter, modify, amend or change, other than in the ordinary course of business, or default under the terms of said Leases or, other than in the ordinary course of business, give any consent, concession or waiver or exercise any option of the lessor permitted by such terms or, other than in the ordinary course of business, cancel or terminate said Leases or accept the surrender thereof or convey or transfer or suffer or permit a conveyance or transfer of the premises demised thereby or of any interest therein so as to effect directly or indirectly, promptly or remotely a merger of the estates and rights of, or a termination or elimination of the obligations

of lessees thereunder in priority or pari passu to executed security in favour of the Assignee; not to waive, alter, modify or change the terms of any Guarantees of said Leases or cancel or terminate such Guarantees, in each case, other than in the ordinary course of business; not to consent to any assignment of or subletting under said Leases by the lessee in priority or pari passu to executed security in favour of the Assignee, except to the extent that any such lease provides that the consent of the lessor shall not be unreasonably withheld; at the Assignee's request, to execute and deliver all such further assurances and assignments as the Assignee shall from time to time reasonably require; to cause prompt action, including legal proceedings for enforcement of any of the Leases and all other remedies available to lessor thereunder, to be commenced against any delinquent lessee as soon as reasonably necessary to protect such lessor's interest.

3.4 Notice of Lessor's Default

The Assignor shall cause notice to be given to the Assignee of any default by the lessor known to the lessor under any of the Leases promptly upon the occurrence of such default, but in all events in sufficient time to afford to the Assignee an opportunity to cure any such default prior to the lessee under the subject lease having any right to terminate the lease by reason of such default.

3.5 Assignee to be Creditor of Lessee

The Assignee shall be and be deemed to be the creditor of each lessee in the Leases in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution, or receivership proceedings affecting such lessee (without obligation on the part of the Assignee, however, to file or make timely filings of claims in such proceedings or otherwise to pursue creditor's rights therein) and the Assignor hereby assigns as further security to the Assignee any such money or award and any and all payments made or payable by lessees in lieu of rent with option to the Assignee to apply any such money or award or payments received by the Assignee in reduction of the indebtedness secured by or to be paid under the Mortgage. The Assignor hereby appoints the Assignee as its irrevocable attorney-in-fact to appear after a default in any action and/or collect any such money, award or payment.

4. DEFAULTS AND REMEDIES

4.1 Defaults

Each of the following shall constitute a default ("**Default**") under this Assignment of Leases and Rents:

- (a) The untruth or inaccuracy of any representation or warranty made by the Assignor herein, the failure by the Assignor to perform in a full and timely manner any of Assignor's obligations of whatever nature under this Assignment of Leases and Rents or the Mortgage or the breach of any of the Assignor's covenants contained in this Assignment of Leases and Rents;
- (b) The default by the Assignor under any of the Leases; and
- (c) The default by the Assignor under the Mortgage.

4.2 Exercise of the Assignment of Leases and Rents

- (a) Until Default shall have been made in payment of any sum as provided in the Mortgage or until the breach of any covenant, representation or agreement contained in the Mortgage, the Assignor shall be entitled to receive all Rents and other amounts payable, and to exercise all of the lessor's rights, under the Leases and Guarantees;
- (b) In the event of Default then in addition to the rights hereby assigned to the Assignee the Assignee may collect the Rents and/or manage the Mortgaged Premises without regard to the adequacy of the security and without waiving such Default;
- (c) In the event the Assignee elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Assignor such rights, this Assignment of Leases and Rents shall in no respect be terminated but instead remain in full force and effect until the indebtedness represented by the Mortgage is paid in full, it being the intent of the parties that Assignee shall, from time to time upon the occurrence of any Default, have all the rights granted hereby.

4.3 Nature of Remedies

No delay or omission on the part of the Assignee in the exercise of any remedy for a Default shall operate as a waiver hereof. The remedies available to the Assignee under this Assignment of Leases and Rents shall be in addition to, and exercisable in any combination with, any and all remedies available by operation of law and under the Mortgage.

The said remedies shall be cumulative and concurrent and not alternative, may be pursued separately, successively or together against the Assignor, against the Mortgaged Premises or any of them at sole discretion of Assignee and may be exercised as often as occasion therefor shall arise.

4.4 Application of Rents

The Assignee shall have the power to apply the Rents, in such order as the Assignee may determine, to the payment of the indebtedness represented by the Mortgage and also toward the payment of any and all sums, monies, costs, charges and expenses incurred by the Assignee in exercise of any of its rights under the Mortgage and all reasonable expenses for the care and management of the Mortgaged Premises, including taxes, insurance, assessments, usual and customary commissions to a real estate broker for leasing real estate and collecting rents, and the reasonable expenses and fees of all attorneys, solicitors, agents and servants, which expenses may be reasonably necessary to exercise the powers granted to the Assignee hereunder. The receipt by Assignee of any Rents pursuant to this Assignment after a Default hereunder and the exercise of any remedies provided for in the Mortgage or hereunder shall not cure such Default or affect or prejudice the exercise of such remedies.

4.5 Limitation of Assignee's Obligations

The Assignee's obligations as to any Rents actually collected shall be discharged by application of such Rents for any of the purposes described in this Assignment of Leases and Rents. The Assignee shall not be liable for uncollected rents or for any claim for damages or set-off arising out of the Assignee's management of the Mortgaged Premises. The Assignee shall not be liable to any lessee for the return of any security deposit made under any lease of any portion of the Mortgaged Premises unless the Assignee shall have received such security deposit from the lessor or such lessee. The Assignee shall not by reason of this Assignment of Leases and Rents or the exercise of any right granted herein be obligated to perform any obligation of the lessor under any of the Leases, nor shall the Assignee be responsible for any act committed by the lessor, or any breach or failure to perform by the lessor with respect to any of the Leases. Nothing contained herein shall be deemed to have the effect of making the Assignee an Assignee in possession of the Mortgaged Premises or any part thereof.

4.6 Reimbursement

The Assignor shall reimburse, indemnify and hold harmless the Assignee for and from any and all expenses, losses, damages and liabilities which the Assignee may reasonably incur by reason of this Assignment, any of the Leases or expenses, losses, damages and liabilities incurred in exercising any of the rights granted in this Assignment.

4.7 Authorization to Lessees

Each present and future lessee under any of the Leases is hereby authorized and directed to pay the rent payable thereunder to the Assignee upon written demand from Assignee stating that a Default has occurred under this Assignment of Leases and Rents or the Mortgage without inquiry as to whether any such Default has occurred or whether Assignee is rightfully entitled to such rent.

4.8 Discharge

The registration of a Discharge of the Mortgage shall constitute a deemed reassignment of the Leases, Rents and other matters assigned hereunder.

5. MISCELLANEOUS

5.1 Modification of Loan Terms

If the time of payment of all indebtedness secured under the Mortgage or any part thereof is extended at any time or times, if the Mortgage is renewed, modified or replaced or if any security for the Mortgage is released, the Assignor and any other parties now or hereafter liable therefor or interested in the Mortgaged Premises shall be held to consent to such extensions, renewals, modifications, replacements and releases and their liability and the lien hereof shall not be released and the rights created hereby and thereby shall continue in full force, the right of recourse against all such parties being reserved by the Assignee.

5.2 Successors and Assigns

This Assignment of Leases and Rents shall enure to the benefit of and be binding upon the successors and assigns of the Assignor and the Assignee and all persons and entities (including owners and lessees) which may hereafter obtain any interest in the Mortgaged Premises.

5.3 No Merger

Notwithstanding the conveyance or transfer of title to any or all of the Mortgaged Premises to any lessee under any of the Leases, the lessee's leasehold estate under such lease shall not merge into the fee estate and the lessee shall remain obligated under such lease as assigned by this Assignment.

5.4 Notices

Whenever the Assignee or the Assignor desires to give any notice to the other, it shall be sufficient for all purposes if such notice is personally delivered or sent by courier addressed to the intended recipient at the last address theretofore specified by the addressee in a written notice given to the sender. In case no other address has been so specified, notices hereunder shall be delivered or mailed to the following addresses:

Assignee:

Bank of Montreal
First Canadian Place
100 King Street West, 19th Floor
Toronto, Ontario M5X 1A1

Assignor:

Leato Enterprise Ltd.
Attention: Diana Choi
693 Queen Street West
Toronto, Ontario M6J 1E6

Any notice given in the manner specified herein shall be deemed to have been given on the day it is personally delivered or sent by courier.

Any notice given in the manner specified herein shall be deemed to have been given on the day it is personally delivered or sent by courier.

5.5 Governing Law

This Assignment of Leases and Rents shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5.6 Severability

If any term or provision contained in this Assignment of Leases and Rents or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Assignment of Leases and Rents or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Assignment of Leases and Rents shall be valid and enforceable to the fullest extent permitted by law.

5.7 Captions

The captions preceding the text of the paragraphs or sub-paragraphs of this Assignment of Leases and Rents are inserted only for convenience of reference and shall not constitute a part of this Assignment of Leases and Rents, nor shall they in any way affect its meaning, construction or effect.

5.8 Time of the Essence

Time shall be of the essence in this Assignment in all respects.

5.9 Conflict Clause

In the event of conflict between the Facility Letter and the terms hereinbefore set forth, the provisions of the Facility Letter shall prevail; provided that any provision hereinbefore contained that is not contained in the Facility Letter and vice versa shall not in and of itself be considered to be inconsistent or in conflict.

EXHIBIT I

**BANK OF MONTREAL
ONTARIO
STANDARD CHARGE TERMS
ALL INDEBTEDNESS MORTGAGE
(COMMERCIAL/FARM)**

Filing Number: 201607

he following set of standard charge terms (together with the schedule attached hereto, the “**Standard Charge Terms**”) shall be deemed to be included in each mortgage or charge in which it is referred to by its filing number as provided in section 9 of the *Land Registration Reform Act*, R.S.O. 1990, except to the extent that the provisions of the Standard Charge Terms are excluded or varied by such mortgage or charge.

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B. DEFINITIONS

In this set of Standard Charge Terms and in each Mortgage, the following terms shall have the following meanings:

1. **“Applicable Rate”** means:
 - (a) the applicable interest rate specified by the applicable note or agreement delivered by the Mortgagor to the Mortgagee or between the Mortgagor and the Mortgagee; or
 - (b) if the interest rate referred to in subsection (a) is not so specified, the applicable interest rate specified by the Mortgage.
2. **“Controlling Entity”** means any corporation or other entity which on the date of the Mortgage beneficially owned, directly or indirectly, shares, other securities or other equity interests issued by the Mortgagor or a Guarantor which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor or such Guarantor.
3. **“Default”** means a default referred to in section I.
4. **“Guarantor”** means a person who guaranteed payment of all or any Indebtedness.
5. **“Indebtedness”** means all present and future indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee whether direct or indirect, absolute or contingent, or revolving or non-revolving, whether incurred by the Mortgagor alone or together with any other debtor or debtors and whether incurred pursuant to the provisions of the Mortgage or otherwise including all principal, interest, guarantee liabilities, letter of credit indemnity liabilities, bankers’ acceptance indemnity liabilities, fees and expenses now or hereafter owing by the Mortgagor to the Mortgagee.
6. **“Insolvency Proceeding”** means a proceeding commenced under the *Companies’ Creditors Arrangement Act*, the *Bankruptcy and Insolvency Act* or any other similar statute.
7. **“Lease”** means a lease, offer to lease or other similar agreement of or with respect to the Mortgaged Land in favour of, or held by the Mortgagor as tenant and referred to in the Mortgage, as such lease, offer to lease or other similar agreement is amended or replaced from time to time.
8. **“Mortgage”** means the applicable registered mortgage or charge (as amended from time to time) in which this set of Standard Charge Terms is incorporated by reference to its filing number (including all Schedules thereto), includes any such mortgage or charge registered electronically or otherwise and includes such mortgage or charge whether or not any provision of the Standard Charge Terms is excluded or varied.
9. **“Mortgaged Land”** means the real property described in the Mortgage, all appurtenances thereto and all estates and interests therein, and includes all buildings, plant, machinery, crops, erections and improvements, fixed or otherwise, present or future, built, grown, placed or put thereon including all fences, heating equipment, plumbing equipment, antennae, radiators, mirrors, air-conditioning equipment, ventilating equipment, fire alarm and protective systems, lighting and lighting fixtures, hay racks, barn fixtures, milking machine equipment, water tanks, pumps and windmills, water bowls and pipes, feed boxes, litter carriers and tracks, mobile homes affixed to the real property, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows, storm doors, window screens, door screens, shutters and awnings, all apparatus and equipment appurtenant thereto, and all other fixtures and accessions of any kind or nature.
10. **“Mortgagee”** means the mortgagee or chargee referred to in the Mortgage and its successors and assigns.

11. **“Mortgagee’s Prime Rate”** means the fluctuating annual rate of interest determined by Bank of Montreal from time to time as the reference rate it will use to determine rates of interest payable by borrowers from Bank of Montreal of Canadian dollar loans made in Canada and designated by Bank of Montreal as its prime rate.
12. **“Mortgagor”** means the person or persons identified as the mortgagor or chargor in the Mortgage and his, her, its or their respective heirs, executors, administrators, personal representatives, successors and assigns.
13. **“Other Encumbrances”** means all statutory liens, construction liens, mechanics’ liens, builders’ liens, other liens, executions, mortgages, charges, and other encumbrances which charge or otherwise affect or could affect the Mortgaged Land but excludes the Mortgage.
14. **“Permitted Prior Mortgage”** means a mortgage or charge of the Mortgaged Land which ranks in priority to the Mortgage and which the Mortgagee has approved in writing.
15. **“Receiver”** means a receiver, receiver and manager or other similar person.
16. **“Schedule”** means a schedule to the Mortgage.
17. **“Taxes”** means all taxes, rates and assessments, municipal, provincial, federal or otherwise, with respect to the Mortgaged Land.

C. OPERATION OF THE MORTGAGE

1. *Charge of Mortgaged Land.* In consideration of other valuable consideration and a loan advance made or other credit extended by the Mortgagee to the Mortgagor (the receipt and sufficiency of which are acknowledged by the Mortgagor), the Mortgagor hereby mortgages and charges the Mortgaged Land to and in favour of the Mortgagee as security for payment to the Mortgagee of all Indebtedness and as security for the observance and performance by the Mortgagor of all other obligations of the Mortgagor pursuant to or in respect of the Mortgage or the Standard Charge Terms. Subject to the provisions of the Mortgage, the Mortgagor releases to the Mortgagee, all the Mortgagor’s claims upon the Mortgaged Land.
2. *Repayment of Principal on Demand.* The Mortgagor shall pay all Indebtedness to the Mortgagee on demand by the Mortgagee for payment.
3. *Restriction on Voluntary Prepayments.* The Mortgagor shall not be entitled to prepay voluntarily any principal amount (including any principal amount owing with respect to a revolving line of credit or a demand loan) except to the extent agreed to by the Mortgagee in writing.
4. *Calculation and Payment of Interest.* The Mortgagor shall pay to the Mortgagee when due interest payable by the Mortgagor on each part of the Indebtedness (including interest on overdue interest) at the Applicable Rate which applies to such part of the Indebtedness. Interest shall accrue on each part of the Indebtedness from the date such part is incurred to the date such part is paid to the Mortgagee in full. Interest shall, both before and after Default, be calculated and payable monthly not in advance on the first day of each month unless otherwise agreed by the Mortgagor and the Mortgagee in writing. Whenever there is more than one Applicable Rate, the Applicable Rate referred to in sections D, E, G, J and K shall, unless otherwise agreed by the Mortgagee in writing, be the higher or highest of such Applicable Rates.

5. *Continuing Security.* The Mortgage shall be continuing security in favour of the Mortgagee for the payment of all Indebtedness, notwithstanding at any time and from time to time there is:

- (a) any change in the nature, state or form of any account between the Mortgagor and the Mortgagee;
- (b) any new advance by the Mortgagee to the Mortgagor, whether by way of loan, discount, the drawing of a cheque against an account of the Mortgagor or otherwise;
- (c) any discount or acceptance by the Mortgagee from or for the Mortgagor of any note, bill of exchange or other negotiable instrument or commercial paper;
- (d) any credit of any amount to any account of the Mortgagor by reason of deposit of moneys or otherwise; or
- (e) any renewal, replacement, substitution or alteration of any note, bill of exchange or other negotiable instrument or other commercial paper from time to time held by the Mortgagee or any reduction, satisfaction, payment, release or discharge thereof or of any other security therefor.

Nothing herein shall prejudice any of the Mortgagee's rights pursuant to or in respect of any note, bill of exchange, other agreement or other security now or hereafter held by the Mortgagee.

6. *Divided Parts of Mortgaged Land.* Every part of the Mortgaged Land into which the Mortgaged Land may hereafter be divided by a plan of subdivision or otherwise shall continue to be charged with payment of all Indebtedness but the Mortgagee may discharge any part or parts of the Mortgaged Land with or without sufficient consideration and without releasing the Mortgagor from the Mortgage and no person shall have any right to require the Indebtedness to be apportioned between or among such parts.

7. *Application of Amounts Paid.* Any and all amounts received by the Mortgagee with respect to Indebtedness before a Default shall, unless otherwise specified by the Mortgagee in writing, be applied firstly to reduce compound interest, secondly to reduce interest (other than compound interest), thirdly to reduce principal and fourthly to reduce any other Indebtedness. Any and all amounts received by the Mortgagee after a Default (including any and all amounts received from any security held by the Mortgagee) shall be applied by the Mortgagee in the manner determined by the Mortgagee in its sole discretion.

8. *Discharge of Mortgage.* If the Mortgagor shall duly pay to the Mortgagee all Indebtedness and the Mortgagee is not then obligated to extend any credit to the Mortgagor, the Mortgagor may request from the Mortgagee a discharge of the Mortgage and, upon delivery by the Mortgagee to the Mortgagor of a discharge of the Mortgage, the Mortgage shall terminate and cease to operate; provided that the Mortgage shall not terminate or cease to operate while any Indebtedness remains unpaid or while the Mortgagee is obligated to extend any credit to the Mortgagor only because, at any prior time or times, all Indebtedness had been paid in full. The Mortgagee shall not be obligated to deliver any partial discharge of the Mortgage.

9. *Consolidation of Mortgages.* To the extent permitted by law, the doctrine of consolidation shall apply with respect to *inter alia* the Mortgage.

D. COVENANTS, REPRESENTATIONS AND WARRANTIES OF MORTGAGOR

1. *Payment of Principal and Interest.* The Mortgagor shall pay to the Mortgagee when due all Indebtedness without deduction or set-off of any kind. The Mortgagor expressly agrees not to fail to pay any Indebtedness when due and not to reduce the amount of any due payment of any Indebtedness as a result, or in respect of any existing or future claim by the Mortgagor against the Mortgagee or against any other person whether such claim relates to any or all Indebtedness, the Mortgage, any other agreement between the Mortgagor and the Mortgagee, any other transaction or any other agreement or matter whatsoever.

2. *Observance and Performance of Other Obligations.* The Mortgagor shall duly and punctually observe and perform all the Mortgagor's existing and future obligations pursuant to

the Mortgage and all the Mortgagor's existing and future obligations pursuant to any and all other existing and future agreements delivered by the Mortgagor to the Mortgagee or between the Mortgagor and the Mortgagee.

3. *Payment of Taxes.* The Mortgagor shall promptly pay all Taxes as they become due and, within one month after the date fixed for the payment of the last installment of Taxes in each year, shall deliver to the Mortgagee a receipted tax bill showing payment in full of all such Taxes payable during such year. If the Mortgagor fails to pay any Taxes as they become due, the Mortgagee may, at its option, pay the whole or any part of such Taxes. The amounts so paid by the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

4. *Good Title and Free From Encumbrances.* The Mortgagor represents and warrants to the Mortgagee that the Mortgagor is the legal and beneficial owner of, and has good, absolute and indefeasible title and estate in fee simple to the Mortgaged Land (or the leasehold interest therein if section E applies), free of any Other Encumbrances except any Permitted Prior Mortgage, statutory liens that secure payment of amounts not in arrears, public utilities easements or minor easements or restrictive covenants that do not impair the value, marketability or use of the Mortgaged Land or other encumbrances consented to by the Mortgagee in writing, and free of any reservations, limitations, provisos or conditions whatsoever except those contained in the original grant thereof, if any, from the Crown; the Mortgagor has good right, full power and lawful and absolute authority to mortgage and charge the Mortgaged Land (or, if section E applies, its leasehold interest therein) to the Mortgagee in accordance with the provisions of the Mortgage.

5. *Insurance.* The Mortgagor shall maintain, in form, substance and amount and with insurers satisfactory to the Mortgagee, all insurance required by the Mortgagee from time to time with respect to the Mortgaged Land (including boiler, property, public liability, rental, environmental and business interruption insurance and insurance covering all crops grown on the Mortgaged Land insuring such crops against damage by hail and against perils covered by all-risk crop insurance). The Mortgagor shall deliver to the Mortgagee, from time to time at the Mortgagee's request, certificates of insurance and certified copies of such insurance policies showing all loss payable to the Mortgagee as first mortgagee (subject to the interests of the holder of any Permitted Prior Mortgage) and loss payee and containing a mortgage clause satisfactory to the Mortgagee. As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns to the Mortgagee all the Mortgagor's present and future interests in and to all such present and future insurance policies and all proceeds therefrom. The Mortgagor shall not repair any damage using proceeds of any insurance without the Mortgagee's prior written consent and the Mortgagee may, at its discretion, apply any and all insurance proceeds to reduce Indebtedness. If the Mortgagor fails to maintain insurance required by the Mortgagee, the Mortgagee may arrange insurance with respect to the Mortgaged Land, the Mortgagor shall pay to the Mortgagee, on demand by the Mortgagee, all amounts paid by the Mortgagee to effect such insurance and the Mortgagor shall pay interest thereon at the Applicable Rate; and all such amounts owing by the Mortgagor shall be part of the Indebtedness and secured by the Mortgage. The Mortgagor shall, forthwith on the occurrence of any loss or damage, furnish at the Mortgagor's own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies. Any insurance monies received may, at the option of the Mortgagee, to the extent permitted by law, be applied to rebuild or repair the premises on the Mortgaged Land or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the Mortgaged Land, or be applied to pay Indebtedness whether or not then due, despite any law, equity or statute to the contrary. The Mortgagor, to the extent permitted by law, hereby waives any statutory or other right it may have to require any insurance proceeds to be applied in any particular manner.

6. *Payment of Other Encumbrances.* The Mortgagor shall promptly pay when due all amounts now or hereafter owing pursuant to or with respect to any Other Encumbrances and shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If the Mortgagor fails to pay any Other Encumbrances when due, the Mortgagee may, at its option, pay the whole or any part of any present or future Other Encumbrances. The amounts so paid shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage. In the event the Mortgagee pays any Other Encumbrance, it shall be entitled to all the equities, rights and securities of the person or persons so paid and to obtain an assignment of

such Other Encumbrance so paid and of any right to payment and is hereby authorized to retain any discharge thereof without registration for so long as it may think fit to do so.

7. *Payment of Expenses.* The Mortgagor shall, on demand by the Mortgagee, pay all costs, charges, expenses (including legal fees as between a solicitor and his or her own client), commissions and fees which may be incurred by the Mortgagee in negotiating any credit or credits secured by the Mortgage, investigating the title to the Mortgaged Land, preparing and registering the Mortgage and other documents, administering any credit or credits extended by the Mortgagee to the Mortgagor, inspecting the Mortgaged Land, collecting any Indebtedness, taking any proceeding in connection with or to collect any Indebtedness, taking and maintaining possession of the Mortgaged Land, maintaining and repairing the Mortgaged Land, and taking any other enforcement proceedings. The Mortgagor shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If the Mortgagor fails to pay any such amounts as they become due, the Mortgagee may, at its option, pay any such amounts and the amounts so paid by the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

8. *Compliance with Laws.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage, the Mortgagor has complied with, and the Mortgagor agrees that it shall comply with all laws, by-laws and regulations affecting the Mortgaged Land and all orders and decisions of any governmental authority, governmental agency or court having jurisdiction affecting the Mortgaged Land (including all such laws, by-laws, regulations, orders and decisions relating to the environment or to residential or other property, including those relating to the amount of rent charged by the Mortgagor with respect to any part of the Mortgaged Land). The Mortgagor shall, at the Mortgagor's expense, promptly and in good and workmanlike manner make all improvements, alterations, clean-ups and repairs and effect any change in use that may be required from time to time to so comply.

9. *Maintain in Good Repair and Avoid Waste.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage, all buildings, erections, equipment, machinery and improvements on the Mortgaged Land are in good condition and repair and that all noxious weeds have been eradicated from the Mortgaged Land. The Mortgagor shall maintain all buildings, erections, equipment, machinery and improvements on the Mortgaged Land in good condition and repair to the satisfaction of the Mortgagee, shall eradicate all noxious weeds from the Mortgaged Land and shall not permit waste to be committed or suffered on the Mortgaged Land or any part thereof. The Mortgagee or its agent shall be entitled, from time to time, to enter on the Mortgaged Land to inspect the Mortgaged Land and to undertake any tests (including intrusive environmental tests) required by the Mortgagee. If the Mortgagor neglects to keep the Mortgaged Land or any buildings, erections, equipment, machinery or improvements on the Mortgaged Land in good condition and repair, fails to eradicate noxious weeds from the Mortgaged Land or commits or permits any act of waste on the Mortgaged Land (as to which the Mortgagee shall be the sole judge), or fails to comply with section D.8., the Mortgagee or its agent may enter upon the Mortgaged Land and make such repairs and undertake such work and take such action as the Mortgagee deems necessary. All costs of such inspection, testing, repairs, work and action shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

10. *Environmental Representation and Indemnity.* The Mortgagor represents and warrants to the Mortgagee that there has not occurred, after the date the Mortgagor acquired an interest in the Mortgaged Land, any spill, leak, contamination or other material environmental problem affecting the Mortgaged Land or any part thereof (other than any such spill, leak, contamination or other environmental problem which has been remedied). The Mortgagor shall indemnify and save harmless the Mortgagee and any Receiver of the Mortgaged Land from any and all expenses and damages incurred or suffered by the Mortgagee or such Receiver as a result, or in respect of any spill, leak, contamination or other environmental problem affecting the Mortgaged Land or any part thereof. This indemnity shall survive the payment of all Indebtedness and the satisfaction, discharge or enforcement of the Mortgage or any other security.

11. *No Alterations or Change in Use.* The Mortgagor shall not, without the prior written consent of the Mortgagee, make, or permit to be made, any alterations or additions to the Mortgaged Land or any building thereon or change the Mortgagor's use of the Mortgaged Land

or any building thereon and the Mortgagor shall not allow the Mortgaged Land to be unoccupied or unused.

12. *No Unapproved Charge or Encumbrance by Mortgagor.* The Mortgagor shall not, without the Mortgagee's prior written consent, mortgage, charge, lien or encumber the Mortgaged Land or any part thereof or any interest therein or permit any Other Encumbrance to remain thereon except for any Permitted Prior Mortgage, statutory liens that secure payment of amounts not in arrears and public utilities easements or minor easements or restrictive covenants that do not impair the value, marketability or use of the Mortgaged Land.

13. *Change in Ownership or Spousal Status.* Upon any change or event affecting any of the following, namely:

- (a) the spousal status of the Mortgagor, if the Mortgagor is an individual;
- (b) the qualification of the Mortgaged Land as a matrimonial home; or
- (c) the ownership of the Mortgaged Land,

the Mortgagor shall forthwith advise the Mortgagee accordingly in writing and furnish the Mortgagee with full particulars thereof, the intention being that the Mortgagee shall be kept fully informed of the names and addresses of the owner or owners of the Mortgaged Land and of any spouse who is not an owner but who may have a legal right of possession of or interest in the Mortgaged Land. The Mortgagor shall furnish the Mortgagee with such evidence in connection with any of subsections (a), (b) and (c) of this provision as the Mortgagee may from time to time request.

14. *Expropriation.* If the Mortgaged Land or any part thereof is condemned or expropriated to an extent which, in the Mortgagee's sole discretion, materially affects the Mortgagee's security, all Indebtedness shall, at the option of the Mortgagee, be deemed to have become due and payable on the day before such condemnation or expropriation, and interest shall continue to accrue thereon, at the Applicable Rate, until the Mortgagee has been paid all Indebtedness. The Mortgagor shall pay to the Mortgagee from any condemnation or expropriation proceeds the full amount thereof, to be applied by the Mortgagee to reduce Indebtedness.

15. *Power of Attorney.* The Mortgagor hereby irrevocably appoints the Mortgagee or any Receiver appointed by the Mortgagee under or pursuant to the Mortgage or by any order of a court of competent jurisdiction, as the Mortgagor's attorney for all purposes to take any and all action deemed appropriate by the Mortgagee or such Receiver after the occurrence of a Default.

16. *Further Assurances.* The Mortgagor shall (and shall cause each person having or claiming to have an estate, right, title or interest in or to the Mortgaged Land to) at any time and from time to time, at the Mortgagee's request, do, execute and deliver or cause to be made, executed and delivered to the Mortgagee such further and other reasonable acts, deeds, conveyances, charges and assurances as may be required by the Mortgagee to fully and effectually carry out the intention and meaning of the Mortgage and the provisions included in the Mortgage and the reasonable cost of such further assurances shall be part of the Indebtedness and secured by the Mortgage.

17. *Business Purposes Only.* The Mortgagor shall use only for business purposes any amounts loaned by the Mortgagee to the Mortgagor and secured by the Mortgage.

18. *No Registration of Condominiums or Strata Title Developments.* The Mortgagor shall not, without the Mortgagee's prior written consent, register any condominium or strata title development with respect to all or part of the Mortgaged Land or any declaration or description with respect thereto and the Mortgagee shall not have any obligation to provide such consent.

19. *Delivery of Information.* The Mortgagor shall deliver to the Mortgagee, promptly at the Mortgagee's request, all financial statements and other information as the Mortgagee may request from time to time with respect to the Mortgagor, a Guarantor or the Mortgaged Land.

20. *No Litigation or Other Proceedings.* The Mortgagor represents and warrants that, as at the date of the Mortgage, there is no application, litigation, proceeding or investigation outstanding or, to the Mortgagor's knowledge, pending or threatened, against the Mortgagor or any Guarantor or with respect to the Mortgaged Land or any part thereof including any application,

litigation, proceeding or investigation in respect of residential or other property by-laws or regulations. The Mortgagor shall notify the Mortgagee in writing of any such application, litigation, proceeding or investigation commenced after the date of the Mortgage, promptly after such commencement.

21. *Mortgagor a Canadian Resident.* The Mortgagor represents and warrants that, as at the date of the Mortgage, it is not a non-resident of Canada for purposes of the Income Tax Act and agrees that the Mortgagor shall not, without the Mortgagee's prior written consent, become a non-resident of Canada.

22. *Good Management of Mortgaged Land.* The Mortgagor shall at all times cause the Mortgaged Land to be managed in a commercially reasonable manner by the Mortgagor or by a property manager satisfactory to the Mortgagee, acting reasonably.

23. *Abutting Real Property.* The Mortgagor shall not, without the Mortgagee's prior written consent, acquire any real property which abuts the Mortgaged Land. If the Mortgagee gives such consent, the Mortgagor shall, at the Mortgagee's request, deliver to the Mortgagee a mortgage or charge of such abutting real property and of the Mortgaged Land in form and substance satisfactory to the Mortgagee.

24. *Deemed Covenants Excluded.* In accordance with subsection 7(3) of the *Land Registration Reform Act*, the covenants deemed to be included in a mortgage or charge by subsection 7(1) of such statute are expressly excluded from the Mortgage.

25. *Defeasance Provisions Excluded.* The provisions relating to defeasance in subsection 6(2) of the *Land Registration Reform Act* are expressly excluded from the Mortgage.

E. MORTGAGE OF LEASEHOLD INTEREST

If the Mortgagor is not the owner of the Mortgaged Land in fee simple but is the owner of a leasehold interest in the Mortgaged Land as tenant, or as an assignee or successor of a tenant, pursuant to a Lease, the following provisions shall apply:

1. *Representations and Warranties.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage:

- (a) the Lease is a good, valid and subsisting lease and has not been surrendered, forfeited or terminated or, except as specified in the Mortgage, amended, and the rents, covenants and provisions therein reserved and contained have been duly paid, performed and observed by the Mortgagor up to the date of the Mortgage; and
- (b) the Mortgagor has good right and full, lawful and absolute authority to charge, mortgage, demise and sublet the Mortgaged Land in accordance with the Mortgage and any consent thereto required of the applicable landlord has been obtained.

2. *Covenants Relating to Lease.* The Mortgagor agrees with the Mortgagee as follows:

- (a) The Mortgagor shall at all times fully perform and comply with all the obligations of the Mortgagor under or with respect to the Lease, or imposed on, assumed by or agreed to by the Mortgagor pursuant to any Other Encumbrances and, if the Mortgagor fails to do so, the Mortgagee may (but shall not be obliged to) take any action the Mortgagee deems necessary or desirable to prevent or to cure any default by the Mortgagor in the performance of or compliance with any such obligations. The Mortgagor shall promptly provide to the Mortgagee a copy of any notice the Mortgagor receives from the landlord, any prior mortgagee or encumbrancer, any claimant of any of the Other Encumbrances or any other person under or relating to the Lease of the Mortgaged Land. Upon receipt by the Mortgagee from the Mortgagor, the landlord, any prior mortgagee or encumbrancer, any claimant of any of the Other Encumbrances or any other person of any notice, including a notice of default, the Mortgagee may rely thereon and take any action with respect to such notice as may be required in the Mortgagee's sole discretion, including to cure a default even though the existence

of such default or the nature thereof may be questioned or denied by or on behalf of the Mortgagor and the Mortgagee shall have the absolute and immediate right to enter in and upon the Mortgaged Land or any part thereof to such extent and as often as the Mortgagee, in its sole discretion deems necessary or desirable, in order to prevent or to cure any such default. The Mortgagee may pay and expend such amounts as the Mortgagee in its sole discretion deems necessary for any such purpose, and the amounts so paid shall be payable by the Mortgagor to the Mortgagee on demand by the Mortgagee with interest thereon at the Applicable Rate, and shall be a part of the Indebtedness and be secured by the Mortgage.

- (b) If the Mortgage is outstanding at the expiration of the term of the Lease and the Mortgagor refuses or neglects to exercise the Mortgagor's right, if any, to renew or extend the term of the Lease or refuses to pay any fees, costs, charges or expenses payable upon any such renewal or extension, the Mortgagee may effect such renewal or extension in the name of the Mortgagor or otherwise, and every such renewed or extended Lease shall remain and be mortgaged and charged pursuant to the Mortgage in accordance with the Mortgage.
- (c) From and after the execution and delivery of the Mortgage, the Mortgagor shall stand possessed of the Mortgaged Land for the remainder of the Lease in trust for the Mortgagee, and shall exercise any right to renew or extend the term of the Lease or to assign the Lease as the Mortgagee may direct, but subject to the Mortgagor's right of redemption under the Mortgage. The Mortgagor hereby irrevocably appoints the Mortgagee as the Mortgagor's attorney for and on behalf of the Mortgagor to exercise any such renewal or extension right and to assign the Lease and convey the leasehold interest in the Mortgaged Land and the reversion thereof as the Mortgagee shall at any time direct after the occurrence of a Default and, in particular, upon any sale made by the Mortgagee under any power of sale contained in the Mortgage or granted by statute to assign the Lease and convey the Mortgagor's leasehold interest in the Mortgaged Land and the reversion to a purchaser. The Mortgagee may at any time remove the Mortgagor or any other person from being a trustee of the Lease under the above declaration of trust and appoint a new trustee or trustees.
- (d) The Mortgagor shall not surrender, terminate, amend or modify the Lease or agree to do so without the prior written consent of the Mortgagee, which the Mortgagee may withhold in its absolute discretion. No release or forbearance of any of the Mortgagor's obligations under the Lease or under any Other Encumbrance shall release the Mortgagor from any of the Mortgagor's obligations under the Mortgage.
- (e) Unless the Mortgagee expressly consents in writing, the title in fee simple to the Mortgaged Land and the leasehold estate shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates by purchase or otherwise.

3. *Last Day of Term Excepted.* Despite any other provision of the Mortgage, the last day of the term of the Lease and of any renewal or extension thereof and of any agreement therefor now held or hereafter acquired by the Mortgagor shall be excepted out of the mortgage, charge and demise contained in the Mortgage.

4. *Charge by way of Sublease.* Despite section C.1. and any other provision of the Mortgage (except section E.3.), the Mortgagor mortgages and charges, by way of sublease, the Mortgagor's leasehold interest in the Mortgaged Land pursuant to the Lease, the mortgages and charges contained in the Mortgage shall be by way of sublease and the Mortgagee shall not have any obligation or liability to the landlord or any other person pursuant to or in respect of the Lease.

5. *Leasehold Interests.* Wherever any reference is made in the Mortgage to any right of the Mortgagee to sell, transfer, assign, lease, sublease, alienate or otherwise deal with the Mortgaged Land, such reference shall be deemed, subject to section E.3., to relate to the existing and future rights and interests of the Mortgagor in the Mortgaged Land pursuant to the Lease.

F. ASSIGNMENT OF LEASES AND RENTS

If the Mortgagor or any predecessor of the Mortgagor grants or has granted any lease, offer to lease, tenancy agreement or other similar agreement of all or any part of the Mortgaged Land as landlord, the following provisions shall apply:

1. *Assignment.* As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns, transfers and sets over to the Mortgagee, all the Mortgagor's rights and interests as landlord in all existing and future leases, tenancy agreements, offers to lease and other similar agreements with respect to all or part of the Mortgaged Land, and all rents, incomes, profits and other amounts now or hereafter arising from or out of all or part of the Mortgaged Land or any building, improvement, fixture or part thereof forming part of the Mortgaged Land.

2. *Separate Assignments.* The assignment of each of the foregoing and of each of the rents, incomes, profits and other amounts by the Mortgagor to the Mortgagee pursuant to section F.1. shall be deemed to be a separate assignment so that the Mortgagee in its discretion may exercise its rights in respect of any or all of such leases, offers to lease, tenancy agreements or other similar agreements or the rents, incomes, profits or other amounts paid or payable thereunder.

3. *Collection by Mortgagor before Default.* Until there occurs a Default, the Mortgagor may collect, retain and apply all rents, incomes, profits and other amounts and deal with all leases, offers to lease, tenancy agreements and other similar agreements from time to time in accordance with sound business practice.

4. *No Liability of Mortgagee and Indemnity by Mortgagor.* Nothing herein shall obligate the Mortgagee to assume or perform (and nothing herein shall impose on the Mortgagee) any liability or obligation of the Mortgagor to any tenant or other person pursuant to or in respect of any lease, offer to lease, tenancy agreement, other similar agreement or otherwise and the Mortgagor hereby indemnifies and saves harmless the Mortgagee from any and all claims with respect thereto, provided that the Mortgagee may, at its sole option, assume or perform any such obligations as it considers necessary or desirable.

5. *Re-assignment.* The Mortgagee may, at any time without further request or agreement by the Mortgagor, reassign to the Mortgagor, or the Mortgagor's heirs, administrators, successors or assigns, any or all of the collateral referred to in section F.1.

6. *Application by Mortgagee.* The Mortgagee's obligations with respect to any amount collected by the Mortgagee shall be discharged by the application of such amount to reduce Indebtedness.

7. *Not Mortgagee in Possession.* Nothing contained herein shall have the effect of making the Mortgagee a mortgagee in possession of the Mortgaged Land.

G. CONDOMINIUM OR STRATA TITLE DEVELOPMENT PROVISIONS

If the Mortgaged Land is or includes one or more condominium units or strata title units, the following provisions shall apply:

1. *Compliance with Requirements.* The Mortgagor shall observe and perform each of the covenants and provisions required to be observed and performed pursuant to the Mortgage, all applicable statutes governing or affecting condominiums or strata title developments, and the declaration, description, by-laws and rules, as amended from time to time, of the applicable condominium corporation or strata corporation.

2. *Common Expense Payments.* The Mortgagor shall pay promptly when due any and all unpaid condominium or strata development fees, common expenses, common element expenses, assessments, levies, instalments, payments or any other amounts due to the applicable

condominium corporation or strata corporation or any agent thereof by the Mortgagor and, at the Mortgagee's request, deliver to the Mortgagee evidence of the payment thereof.

3. *Right of Mortgagee to Pay.* If the Mortgagor does not pay when due any condominium or strata development fees, common expenses or other amounts referred to in section G.2., the Mortgagee may (but shall not be obliged to) pay such amounts, the Mortgagor shall forthwith pay such amounts to the Mortgagee with interest thereon at the Applicable Rate, and all such amounts owing by the Mortgagor to the Mortgagee shall be a part of the Indebtedness and secured by the Mortgage.

4. *Voting by Mortgagee.* The Mortgagor hereby irrevocably authorizes the Mortgagee to exercise the rights of the Mortgagor as an owner of the Mortgaged Land to vote or to consent in all matters relating to the affairs of the condominium corporation or strata corporation or arising under applicable law or the declaration or by-laws of the condominium or strata corporation, provided that:

- (a) in any case where the Mortgagee is entitled to receive and does receive notice of a meeting of owners, the Mortgagee may notify the condominium or strata corporation and the Mortgagor of its intention to exercise the right of the owner to vote or to consent at such meeting at least two days before the date specified in the notice for the meeting, failing which the Mortgagor may exercise such right to vote or consent at such meeting;
- (b) the Mortgagee shall not, by virtue of the giving to the Mortgagee of the right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Mortgagor, and the Mortgagee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and
- (c) nothing herein contained, including the exercise by the Mortgagee of the right to vote or consent, shall constitute the Mortgagee a mortgagee in possession.

H. MORTGAGE AS SECURITY FOR A GUARANTEE

If the Mortgagor has delivered to the Mortgagee or now or hereafter delivers to the Mortgagee a guarantee or guarantees of payment to the Mortgagee of indebtedness or liability of another or others, the Indebtedness shall include all indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee pursuant to such guarantee or guarantees, whether direct or indirect, absolute or contingent, and the Mortgage shall secure payment of all such indebtedness and liability of the Mortgagor pursuant to such guarantee or guarantees in addition to all other Indebtedness. If any such guarantee is increased or otherwise amended, the Mortgage shall also secure payment of all indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee pursuant to such guarantee as increased or otherwise amended.

I. DEFAULT

The Mortgagor shall be in default of the Mortgage and a Default shall occur pursuant to the Mortgage if:

- 1. the Mortgagor fails to pay any Indebtedness when due;
- 2. the Mortgagor or a Guarantor fails to comply with any obligation of the Mortgagor or the Guarantor pursuant to or in respect of the Mortgage or any existing or future note, instrument or agreement delivered by the Mortgagor and the Guarantors (or any of them) to the Mortgagee or between the Mortgagor and the Guarantors (or any of them) and the Mortgagee;
- 3. the Mortgagor fails to comply with any obligation of the Mortgagor pursuant to or in respect of any Permitted Prior Mortgage or any Other Encumbrance;
- 4. any representation or warranty made by the Mortgagor or a Guarantor in the Mortgage, any agreement between the Mortgagor and the Guarantors (or any of them) and the Mortgagee, or any loan or credit application made in connection with any Indebtedness was untrue when made;

5. a Receiver is appointed of any asset of the Mortgagor or of a Guarantor;
6. any construction lien, mechanics' lien or builders' lien is registered against all or any part of the Mortgaged Land and is not discharged within seven days after a request by the Mortgagee that such lien be discharged;
7. all or any part of the Mortgaged Land is condemned or expropriated;
8. the Mortgagor or a Guarantor becomes bankrupt or insolvent;
9. a petition in bankruptcy is filed against the Mortgagor or a Guarantor;
10. the Mortgagor or a Guarantor makes a proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy;
11. the Mortgagor or a Guarantor makes an application as a debtor in any Insolvency Proceeding or any other person makes an application against the Mortgagor or a Guarantor in any Insolvency Proceeding;
12. the Mortgagor sells, transfers or disposes of in any other manner the Mortgaged Land, any part thereof or any interest therein (unless the Mortgagee has approved in writing such sale, transfer or other disposition);
13. an execution, judgment or order of execution is filed or made against the Mortgaged Land or any part thereof and remains unsatisfied for a period of ten days;
14. the Mortgagor fails to pay when due any amount owing by the Mortgagor to the applicable condominium corporation or strata corporation or any agent thereof referred to in section G.2.; or
15. the Mortgagor or a Guarantor is not an individual and a change in control of the Mortgagor or such Guarantor occurs without the prior written consent of the Mortgagee; for the purposes hereof, a change in control of the Mortgagor or a Guarantor shall be deemed to occur if there occurs one or more sales, transfers or other dispositions of the beneficial ownership existing on the date of the Mortgage in the aggregate of:
 - (a) shares, other securities or other equity interests issued by the Mortgagor or such Guarantor which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor or such Guarantor; or
 - (b) shares, other securities or equity interests issued by any Controlling Entity which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by such Controlling Entity.

J. REMEDIES OF MORTGAGEE

1. *Acceleration and Termination of Obligation to Extend Credit.* Without prejudice to any right of the Mortgagee to demand at any time payment by the Mortgagor of any and all Indebtedness, upon the occurrence of a Default all Indebtedness (or any part thereof determined by the Mortgagee) shall, at the Mortgagee's option, forthwith become due and payable, the Mortgage shall become enforceable and the Mortgagee shall not be obligated to extend any further credit to the Mortgagor.

2. *Right of Entry.* Upon the occurrence of a Default, the Mortgagee may, at any time or times without the concurrence of any person, enter upon, take and maintain possession of the Mortgaged Land, inspect, complete the construction of, repair or maintain any buildings or other improvements thereon, lease, collect the rents, profits and other amounts derived from the Mortgaged Land and manage the Mortgaged Land as the Mortgagee may deem fit without hindrance or interruption by the Mortgagor or any other person, and all reasonable costs, charges and expenses, including legal fees on a solicitor and his or her own client basis, and disbursements, commissions and allowances for the time and services of any employees of the Mortgagee or any agent of the Mortgagee or other persons appointed for any such purpose shall be forthwith payable by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage. Upon the

occurrence of a Default, the Mortgagee may also enforce its security against all crops growing on the Mortgaged Land, the Mortgagee may, at any time or times without the concurrence of any person, enter upon the Mortgaged Land for the purpose of cutting, harvesting and removing such crops and for otherwise farming and working the Mortgaged Land, the Mortgagee may bring on the Mortgaged Land all machines, equipment and instruments necessary for such purposes, and the Mortgagee may use all yards, barns, granaries, grain bins or all other improvements and equipment located on the Mortgaged Land to carry out any of such activities.

3. *Sale.* Upon the occurrence of a Default which continues for at least fifteen days, the Mortgagee may, on at least thirty-five days' notice, sell the Mortgaged Land or any part or parts thereof, in accordance with the following provisions:

- (a) notice shall be given to such persons and in such manner and form and within such time as provided by law; provided that, 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, notice may be effectually given by leaving it with a person on the Mortgaged Land, if occupied, or by placing the same on some portion thereof, if unoccupied or, at the option of the Mortgagee, by mailing it by registered mail in a notice or letter addressed to the Mortgagor at the Mortgagor's last known address, or by publishing it once in a newspaper published in the area or region in which the Mortgaged Land is situated;
- (b) 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 any disability;
- (c) sale of the Mortgaged Land may be by public auction or private sale or partly by one and partly by the other, for such price or prices as can reasonably be obtained therefor and on such terms as to credit or otherwise and with such conditions of sale and stipulations as to title or evidence of title or otherwise as the Mortgagee in its sole discretion shall deem appropriate;
- (d) in the event of any sale on credit or for part cash and part credit, the Mortgagee shall not be accountable for or charged with any moneys until actually received;
- (e) the Mortgagee may rescind or vary any contract of sale and may buy in and re-sell the Mortgaged Land or any part thereof without being answerable for any loss occasioned thereby;
- (f) the Mortgagee may sell all or any part of the buildings, fixtures, machinery, equipment, crops and standing or fallen trees separately from the Mortgaged Land and the purchaser shall have all necessary access to the Mortgaged Land for the purposes of severing, cutting and removal; and
- (g) subject to compliance with law, sales may be made from time to time of any part or parts of the Mortgaged Land to satisfy any part or parts of the Indebtedness then owing to the Mortgagee leaving the remaining outstanding Indebtedness secured by the Mortgage as a charge of the remainder of the Mortgaged Land.

4. *Sale or Lease.* The following shall apply with respect to any sale or lease by the Mortgagee, its agent or any Receiver of all or part of the Mortgaged Land after the occurrence of a Default:

- (a) no purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety and no lack of default or lack of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease;
- (b) the Mortgagee may sell or lease all or part of the Mortgaged Land without entering into actual possession of the Mortgaged Land and, when it desires to take possession, it may break locks and bolts and while in possession shall only be accountable for moneys actually received by it;

- (c) the Mortgagor hereby appoints the Mortgagee as the Mortgagor's true and lawful attorney and agent to make application under any statute for consent to sever, sell or lease part or parts of the Mortgaged Land and to do all things and execute all documents to effectually complete any such severance, sale or lease;
- (d) the Mortgagee may lease or take sale proceedings notwithstanding that other mortgage proceedings have been taken or are then pending;
- (e) the Mortgagee shall not be responsible for any loss which may arise by reason of any such leasing or sale of the Mortgaged Land unless such loss is caused by the Mortgagee's willful misconduct; and
- (f) no sale, leasing or other dealing by the Mortgagee with the Mortgaged Land or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of any Indebtedness.

5. *Attornment.* To the extent the Mortgaged Land or any part thereof is not a residential premises so as to be subject to the provisions of the applicable statute governing residential tenancies, the Mortgagor hereby attorns to and becomes a tenant of such Mortgaged Land to the Mortgagee from year to year from the date of the execution of the Mortgage until the Mortgage is discharged at a rental equivalent to and applicable in satisfaction of the interest payments forming part of the Indebtedness, the legal relation of landlord and tenant being hereby constituted between the Mortgagee and the Mortgagor in regard to the Mortgaged Land. The Mortgagor agrees that neither the existence of this provision nor anything done by virtue hereof shall impose any obligation on the Mortgagee or render the Mortgagee a mortgagee in possession or accountable for any moneys except moneys actually received by the Mortgagee and the Mortgagee may, upon the occurrence of any Default, enter on the Mortgaged Land and terminate the tenancy hereby created without notice.

6. *Right to Distrain.* Upon the occurrence of a Default, to the extent permitted by law, the Mortgagee may distrain for payment of any and all Indebtedness upon the Mortgaged Land or any part thereof and all chattels situated thereon and by distress warrant recover, by way of rent reserved from the Mortgaged Land, such moneys as shall from time to time be or remain in arrears and all costs, charges and expenses incurred by or on behalf of the Mortgagee with respect to or in connection therewith as in like cases of distress for rent. The Mortgagor waives the right to claim exceptions and agrees that the Mortgagee shall not be limited in the amount for which it may distrain.

7. *Judgments and Non-Merger.* The taking of a judgment or judgments with respect to any of the covenants contained herein, in the Mortgage or otherwise shall not operate as a merger of any such covenants or affect the Mortgagee's right to receive interest under the Mortgage and each such judgment may provide, at the option of the Mortgagee, that interest thereon shall be computed and payable until such judgment has been fully paid and satisfied.

8. *Separate Remedies.* All remedies of the Mortgagee may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Mortgagee however created.

9. *Application of Proceeds and Mortgagor's Liability for Deficiency.* All amounts received by the Mortgagee or any Receiver pursuant to any enforcement of the Mortgage may be held by the Mortgagee as security for the Indebtedness or applied to reduce Indebtedness in such manner as may be determined by the Mortgagee and the Mortgagee may at any time apply or change any such appropriation of such payments to such part or parts of the Indebtedness as the Mortgagee may determine in its sole discretion. The Mortgagor shall be and remain liable to the Mortgagee for any deficiency. Any surplus amounts realized after payment of all Indebtedness shall be paid in accordance with applicable law.

10. *Mortgagor's Insolvency Proceedings.* The Mortgagor acknowledges that the Mortgaged Land is of such a unique nature that, if the Mortgagor seeks to reorganize or restructure its affairs pursuant to any Insolvency Proceeding, the Mortgagee would not have a sufficient commonality of interest with any other creditor or creditors of the Mortgagor such that the Mortgagee would be required to vote on any plan, reorganization, arrangement, compromise or other transaction in a class with any other creditor or creditors of the Mortgagor and, in that regard, the Mortgagor

agrees that the Mortgagee shall be placed in its own exclusive class of creditors for voting purposes. The Mortgagor further agrees that:

- (a) it will give the Mortgagee not less than 10 days written notice prior to the commencement of any Insolvency Proceeding with respect to the Mortgagor;
- (b) in no circumstance will the Mortgagor seek an order which stays any right of the Mortgagee or, to the extent permitted by law, permit any right of the Mortgagee to be stayed, in any Insolvency Proceeding and, if any court-ordered or automatic stay is imposed on the Mortgagee, the Mortgagor hereby consents to an order lifting such stay as against the Mortgagee;
- (c) if an Insolvency Proceeding is commenced with respect to the Mortgagor, the Mortgagor will consent to an order directing that all rents or other revenues generated or received from or in respect of the Mortgaged Land be deposited to a segregated trust account under the sole control of the Mortgagee and that same shall not result in the Mortgagee's being a mortgagee in possession of, or in control or management of the Mortgaged Land or result in the acceleration of payment of any Indebtedness unless such acceleration is required by the Mortgagee in writing; and
- (d) it shall not, without the Mortgagee's prior written consent, propose or permit the sale or transfer of the Mortgaged Land or any part thereof, in or as part of any Insolvency Proceeding, for a net sale price less than the amount required to pay in full all Indebtedness outstanding as at the date of payment of such net sale proceeds to the Mortgagee.

K. APPOINTMENT OF A RECEIVER

1. *Appointment.* Upon the occurrence of a Default, in addition to any other remedies available to the Mortgagee, the Mortgagee may by instrument in writing appoint a Receiver of all or any part of the Mortgaged Land and all rents, incomes, profits and other amounts now or hereafter arising therefrom. The Mortgagee may also apply to any court of competent jurisdiction for the appointment of a Receiver.

2. *Powers of Receiver.* Any Receiver appointed by the Mortgagee shall, to the extent permitted by law, have the following powers:

- (a) to enter upon, take possession of, use, and occupy the Mortgaged Land or any part thereof;
- (b) to collect all rents, incomes, profits and other amounts in respect of the Mortgaged Land and to carry on the business of the Mortgagor on the Mortgaged Land;
- (c) to borrow money required for the maintenance, preservation or protection of the Mortgaged Land or for carrying on the business of the Mortgagor and, in the discretion of the Receiver, to charge the Mortgaged Land in priority to the Mortgage as security for the principal amounts so borrowed, interest thereon and costs related thereto;
- (d) to sell, lease, or otherwise dispose of the Mortgaged Land or any part thereof on such terms and conditions and in such manner as the Receiver shall determine in its sole discretion, and to effect such sale by conveying in the name and on behalf of the Mortgagor or otherwise;
- (e) to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession of the Mortgaged Land, and to give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the rents, accounts receivable or any other obligation of any person to the Mortgagor;

- (f) to exercise any rights or remedies which could have been exercised by the Mortgagee against the Mortgagor or the Mortgaged Land or with respect thereto; and
- (g) to execute all documents required to effect any of the foregoing.

3. *Identity of Receiver and Removal.* Any Receiver so appointed by the Mortgagee may be any person or persons satisfactory to the Mortgagee, and the Mortgagee may remove any Receiver so appointed and appoint another or others instead.

4. *Receiver as Agent of Mortgagor.* Any Receiver appointed by the Mortgagee shall be deemed to be agent of the Mortgagor unless the Mortgagee expressly specifies in writing that the Receiver shall be agent of the Mortgagee. The Mortgagor agrees to ratify and confirm all actions of the Receiver acting as agent for the Mortgagor and to release and indemnify the Receiver in respect of all such actions.

5. *Receivership Expenses.* The Mortgagor shall pay to the Receiver, forthwith on demand by the Mortgagee or the Receiver, the amount of all reasonable fees, disbursements and other expenses incurred by the Receiver in the exercise of its powers hereunder, with interest thereon at the Applicable Rate from the date on which such sums are incurred. All such sums, together with interest thereon at the Applicable Rate, shall be part of the Indebtedness and secured by the Mortgage.

6. *No Enquiries Required.* No persons dealing with the Receiver or its agents, upon any sale or other dealing with the Mortgaged Land, shall be concerned to inquire as to their powers or as to the application of any money paid to them, such sale or dealing shall be deemed as regards such person to be within the powers hereby conferred and to be valid and effectual.

L. MISCELLANEOUS

1. *Records of Mortgagee.* The records of the Mortgagee disclosing the amount of an extension of credit by the Mortgagee to the Mortgagor, the repayment of any principal amount of Indebtedness, the amount of accrued and unpaid interest owing by the Mortgagor and the amount of other Indebtedness (or any part thereof) at any time outstanding, shall constitute conclusive evidence thereof in the absence of mathematical error.

2. *Revolving Line of Credit.* The Mortgagee may wish to make loan advances and re-advances or otherwise extend credit to the Mortgagor from time to time up to a total outstanding principal amount not exceeding the principal amount referred to in the Mortgage. The Mortgage is and shall be continuing security to the Mortgagee for the payment of all Indebtedness. Any portion of the Indebtedness may be advanced or re-advanced by the Mortgagee or other credit may be extended by the Mortgagee in one or more sums at any future time or times and the amount of all such advances, re-advances or other credits when so made or extended shall be secured by the Mortgage and be payable by the Mortgagor with interest thereon at the Applicable Rate and the Mortgage shall be deemed to be taken as security for the ultimate balance of the monies hereby secured, provided that none of the execution or registration of the Mortgage or the advance in part of any monies or extension of any other credit by the Mortgagee shall obligate the Mortgagee to advance any unadvanced portion thereof or to extend any other credit. The Mortgage shall not be void or cease to operate because the Indebtedness secured hereby has at any time or times been paid in full.

3. *Assignment and Syndication.* The Mortgagee shall be entitled from time to time, both before and after a Default, without notice to, or the consent of the Mortgagor or any Guarantor:

- (a) to sell or assign all or part of the Indebtedness and the Mortgagee's interests in the Mortgage and any other security and agreements held by the Mortgagee; and
- (b) to syndicate all or part of the Indebtedness, the Mortgage and any other security and agreements held by the Mortgagee and to grant participations therein.

To facilitate the foregoing, the Mortgagee may provide each prospective purchaser, assignee, syndicated lender or participant and their respective advisers with financial and other information concerning the Indebtedness, the Mortgagor, the Mortgaged Land, any Guarantor, any other collateral or any other matter.

4. *General Indemnity by Mortgagor.* The Mortgagor hereby agrees, on demand by the Mortgagee, to indemnify and hold harmless the Mortgagee and its officers, directors, employees and agents from and against any and all claims, expenses, liabilities, losses and damages that may be asserted against or incurred by any of such indemnified persons arising out of, or in connection with the Mortgage, any Indebtedness or any claim, investigation, proceeding or litigation relating to any of the foregoing, regardless of whether any such indemnified person is a party thereto (including any and all breakage costs reasonably incurred by the Mortgagee in respect of any breach by the Mortgagor of any of its obligations under the Mortgage) and to reimburse each such indemnified person, on demand by the Mortgagee, for any and all reasonable legal and other expenses incurred in investigating, pursuing or defending any of the foregoing or otherwise in connection with any of the foregoing; provided that the foregoing indemnity shall not, as to any indemnified person, apply to any claim, expense, liability, loss or damage or related expense to the extent they are found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the wilful misconduct or gross negligence of such indemnified person.

5. *Effect of Sale.* No sale, conveyance, transfer or other dealing by the Mortgagor with the Mortgaged Land or any part thereof or any approval of the Mortgagee relating thereto shall in any way change or affect the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person or persons liable for payment of the Indebtedness or any part thereof.

6. *Dealings with the Mortgagor and Others.* The Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take security from and give the same and any and all existing security up to, may abstain from taking security from or from perfecting security of, may accept compositions from, may amend the Mortgage, and may otherwise deal

with the Mortgagor and all other persons (including any principal debtor, any Guarantor or any owner of the Mortgaged Land) and security as the Mortgagee may see fit without prejudicing any rights of the Mortgagee under the Mortgage.

7. *Amendments to Mortgage.* The Mortgagor and the Mortgagee may from time to time amend the Mortgage (including to increase the interest rate specified by the Mortgage) by an amendment agreement between the Mortgagor and the Mortgagee, whether or not such amendment agreement (or notice thereof) is registered. This provision shall constitute notice of such amendments and the Mortgage shall secure payment of all Indebtedness (including all interest and other Indebtedness arising or resulting from such amendments) and retain its priority with respect thereto over any mortgage, charge or other instrument registered subsequent to the Mortgage.

8. *Waiver.* No waiver, condonation or excusing by the Mortgagee of any default, breach or other non-performance by the Mortgagor at any time or times in respect of any provision of the Mortgage (including any Default) shall operate as a waiver by the Mortgagee of any subsequent or other default, breach or non-performance or prejudice or affect in any way the rights of the Mortgagee in respect of any such subsequent or other default, breach or non-performance.

9. *Discharge or Assignment.* The Mortgagee shall be entitled to prepare or have its counsel prepare a discharge or assignment of the Mortgage and any other documents necessary to discharge or assign any other security held by the Mortgagee and shall have a reasonable time after payment of the Indebtedness in full within which to prepare, execute and deliver such instruments. All reasonable costs, fees and disbursements of the Mortgagee and the Mortgagee's counsel in connection with the preparation, review, execution and delivery of the discharge, assignment or any other documents necessary to discharge or assign the Mortgage or any other security shall, to the extent permitted by law, be paid by the Mortgagor to the Mortgagee and be secured by the Mortgage.

10. *No Obligation to Advance.* Nothing herein and nothing contained in the Mortgage shall obligate the Mortgagee to loan any amount to the Mortgagor or to extend any other credit to the Mortgagor.

11. *Appointment of Attorney Irrevocable.* Each appointment by the Mortgagor of an attorney in the Mortgage or the Standard Charge Terms is coupled with an interest and may not be revoked.

12. *Other Security.* The Mortgage is in addition to and not in substitution for any other security at any time held by the Mortgagee as security for payment of all or any part of the Indebtedness, and the Mortgagee may, at its option, pursue its remedies thereunder or under the Mortgage concurrently or successively. Any judgment or recovery under the Mortgage or under any other security held by the Mortgagee as security for payment of Indebtedness shall not affect the right of the Mortgagee to enforce or realize on the Mortgage or any other such security.

13. *Financing Statement.* To the extent permitted by law, the Mortgagor hereby waives its right to receive from the Mortgagee a copy of any financing statement, financing change statement, verification statement or other similar statement filed by or received by the Mortgagee or any agent of the Mortgagee.

14. *Notice.* Except as otherwise herein provided, any notice, demand or other communication to the Mortgagor referred to herein or in the Mortgage may be forwarded to the Mortgagor by personal delivery or mailed by prepaid ordinary or registered mail to the Mortgagor at the Mortgagor's last known address as shown on the Mortgagee's records. The Mortgagor shall be deemed to have received the same on the date of delivery, if personally delivered, or on the fourth day after the same is mailed by prepaid ordinary mail or registered mail, if mailed, even if the Mortgagor does not actually receive it.

15. *Different Currencies.* The payment of any part of the Indebtedness shall be made by the Mortgagor in the same currency as the currency in which such part of the Indebtedness is then denominated and all interest and fees shall be paid by the Mortgagor in the same currency as the currency in which that part of the Indebtedness to which they relate is denominated.

16. *Judgment Currency.* If in the recovery by the Mortgagee of any Indebtedness in any currency, judgment can only be obtained in another currency and, because of changes in the

exchange rate of such currencies between the date of judgment and payment in full of the amount of such judgment, the recovery under the judgment differs from the receipt by the Mortgagee of the full amount of such Indebtedness, the Mortgagor shall pay any such deficiency to the Mortgagee, such deficiency may be claimed by the Mortgagee against the Mortgagor as an alternative or additional cause of action and any surplus received by the Mortgagee shall be repaid to the Mortgagor.

17. *Foreign Exchange Rate Determinations.* Whenever any provision of the Mortgage requires or permits the determination of the rate of exchange between any currencies, such rate of exchange shall be determined by the Mortgagee based on its normal practice as at the date of such determination.

18. *Governing Law.* The Standard Charge Terms and the Mortgage shall be governed by the law of the jurisdiction in which the Mortgaged Land is located.

19. *Time of Essence.* Time shall be of the essence of the Mortgage.

20. *Severability.* If any provision of the Mortgage is found by a court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall not apply and the Mortgage shall remain in full force and effect without such provision.

21. *Interpretation.* Whenever the context so requires, words in the singular shall include the plural, words in the plural shall include the singular and words importing any gender shall include the other genders. Whenever used in the Standard Charge Terms, the Mortgage or any Schedule, the words “including” and “includes” shall mean “including, without limitation” and “includes, without limitation”, respectively, and the word “person” shall include an individual, corporation, partnership, government, government agency and any other entity.

22. *Titles.* Titles used in the Standard Charge Terms, the Mortgage or any Schedule are inserted for convenience of reference only and shall not affect or modify the interpretation or construction of any provision of the Standard Charge Terms, the Mortgage or any Schedule.

23. *Joint and Several Obligations.* If there is more than one Mortgagor, all Mortgagors shall be jointly and severally liable for all obligations of the Mortgagors pursuant to the Mortgage.

24. *Schedule.* Schedule “A” shall form part of the Standard Charge Terms.

25. *Equivalent Rate Information.* Schedule “A” is a summary of various annual rates of interest calculated half-yearly not in advance equivalent to the corresponding annual rates calculated monthly not in advance or calculated quarter-annually not in advance. The rate of interest chargeable, calculated half-yearly not in advance, equivalent to each Applicable Rate, is shown by Schedule “A”.

26. *Successors and Assigns.* All rights and powers of the Mortgagee shall enure to the benefit of and be exercisable by the Mortgagee and the Mortgagee’s successors and assigns. All covenants, obligations and liabilities entered into or imposed on the Mortgagor shall be binding on the Mortgagor and the Mortgagor’s heirs, executors, administrators, personal representatives, successors and assigns.

SCHEDULE “A”

The interest rates set out in Column C are the annual interest rates calculated half-yearly not in advance which are equivalent to the corresponding annual interest rates calculated monthly not in advance set out in Column A and quarter-annually not in advance set out in Column B.

COLUMN A	COLUMN B	COLUMN C	COLUMN A	COLUMN B	COLUMN C
Interest rate calculated monthly not in advance	Interest rate calculated quarter- annually not in advance	Interest rate calculated half-yearly not in advance	Interest rate calculated monthly not in advance	Interest rate calculated quarter- annually not in advance	Interest rate calculated half-yearly not in advance
1.0000%	1.0008%	1.0021%	9.5000%	9.5754%	9.6900%
1.1250%	1.1261%	1.1276%	9.6250%	9.7024%	9.8201%
1.2500%	1.2513%	1.2533%	9.7500%	9.8294%	9.9502%
1.3750%	1.3766%	1.3789%	9.8750%	9.9565%	10.0804%
1.5000%	1.5019%	1.5047%	10.0000%	10.0836%	10.2107%
1.6250%	1.6272%	1.6305%	10.1250%	10.2107%	10.3410%
1.7500%	1.7526%	1.7564%	10.2500%	10.3378%	10.4714%
1.8750%	1.8779%	1.8823%	10.3750%	10.4650%	10.6019%
2.0000%	2.0033%	2.0084%	10.5000%	10.5921%	10.7324%
2.1250%	2.1288%	2.1344%	10.6250%	10.7194%	10.8630%
2.2500%	2.2542%	2.2606%	10.7500%	10.8466%	10.9937%
2.3750%	2.3797%	2.3868%	10.8750%	10.9739%	11.1244%
2.5000%	2.5052%	2.5131%	11.0000%	11.1011%	11.2552%
2.6250%	2.6307%	2.6394%	11.1250%	11.2285%	11.3861%
2.7500%	2.7563%	2.7658%	11.2500%	11.3558%	11.5170%
2.8750%	2.8819%	2.8923%	11.3750%	11.4832%	11.6480%
3.0000%	3.0075%	3.0188%	11.5000%	11.6106%	11.7791%
3.1250%	3.1331%	3.1454%	11.6250%	11.7380%	11.9102%
3.2500%	3.2588%	3.2721%	11.7500%	11.8654%	12.0414%
3.3750%	3.3845%	3.3988%	11.8750%	11.9929%	12.1727%
3.5000%	3.5102%	3.5256%	12.0000%	12.1204%	12.3040%
3.6250%	3.6360%	3.6525%	12.1250%	12.2479%	12.4354%
3.7500%	3.7617%	3.7794%	12.2500%	12.3755%	12.5669%
3.8750%	3.8875%	3.9064%	12.3750%	12.5031%	12.6985%
4.0000%	4.0133%	4.0335%	12.5000%	12.6307%	12.8301%
4.1250%	4.1392%	4.1606%	12.6250%	12.7583%	12.9618%
4.2500%	4.2651%	4.2878%	12.7500%	12.8859%	13.0935%
4.3750%	4.3910%	4.4151%	12.8750%	13.0136%	13.2253%
4.5000%	4.5169%	4.5424%	13.0000%	13.1413%	13.3572%
4.6250%	4.6428%	4.6698%	13.1250%	13.2691%	13.4892%
4.7500%	4.7688%	4.7973%	13.2500%	13.3968%	13.6212%
4.8750%	4.8948%	4.9248%	13.3750%	13.5246%	13.7533%
5.0000%	5.0209%	5.0524%	13.5000%	13.6524%	13.8854%
5.1250%	5.1469%	5.1800%	13.6250%	13.7803%	14.0177%
5.2500%	5.2730%	5.3078%	13.7500%	13.9082%	14.1499%
5.3750%	5.3991%	5.4355%	13.8750%	14.0360%	14.2823%
5.5000%	5.5252%	5.5634%	14.0000%	14.1640%	14.4147%
5.6250%	5.6514%	5.6913%	14.1250%	14.2919%	14.5472%
5.7500%	5.7776%	5.8193%	14.2500%	14.4199%	14.6798%
5.8750%	5.9038%	5.9474%	14.3750%	14.5479%	14.8124%
6.0000%	6.0300%	6.0755%	14.5000%	14.6759%	14.9451%
6.1250%	6.1563%	6.2037%	14.6250%	14.8040%	15.0779%
6.2500%	6.2826%	6.3319%	14.7500%	14.9320%	15.2108%
6.3750%	6.4089%	6.4603%	14.8750%	15.0601%	15.3437%
6.5000%	6.5353%	6.5887%	15.0000%	15.1883%	15.4766%
6.6250%	6.6616%	6.7171%	15.1250%	15.3164%	15.6097%
6.7500%	6.7880%	6.8456%	15.2500%	15.4446%	15.7428%
6.8750%	6.9145%	6.9742%	15.3750%	15.5728%	15.8760%
7.0000%	7.0409%	7.1029%	15.5000%	15.7011%	16.0092%
7.1250%	7.1674%	7.2316%	15.6250%	15.8293%	16.1425%
7.2500%	7.2939%	7.3604%	15.7500%	15.9576%	16.2759%
7.3750%	7.4204%	7.4892%	15.8750%	16.0859%	16.4094%
7.5000%	7.5470%	7.6182%	16.0000%	16.2143%	16.5429%
7.6250%	7.6736%	7.7472%	16.1250%	16.3427%	16.6765%
7.7500%	7.8002%	7.8762%	16.2500%	16.4710%	16.8102%
7.8750%	7.9268%	8.0053%	16.3750%	16.5995%	16.9439%
8.0000%	8.0535%	8.1345%	16.5000%	16.7279%	17.0777%
8.1250%	8.1801%	8.2638%	16.6250%	16.8564%	17.2116%
8.2500%	8.3068%	8.3931%	16.7500%	16.9849%	17.3455%
8.3750%	8.4336%	8.5225%	16.8750%	17.1134%	17.4795%
8.5000%	8.5604%	8.6519%	17.0000%	17.2420%	17.6136%
8.6250%	8.6871%	8.7815%	17.1250%	17.3706%	17.7477%
8.7500%	8.8140%	8.9111%	17.2500%	17.4992%	17.8819%
8.8750%	8.9408%	9.0407%	17.3750%	17.6278%	18.0162%
9.0000%	9.0677%	9.1704%	17.5000%	17.7564%	18.1506%
9.1250%	9.1946%	9.3002%	17.6250%	17.8851%	18.2850%
9.2500%	9.3215%	9.4301%	17.7500%	18.0138%	18.4195%
9.3750%	9.4484%	9.5600%	17.8750%	18.1426%	18.5540%

EXHIBIT J

**ACKNOWLEDGEMENT
RE:
STANDARD CHARGE TERMS**

TO: BANK OF MONTREAL

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

RE: Bank of Montreal (the "**Lender**") loan/first mortgage to Leato Enterprise Ltd. (the "**Borrower**"), as guaranteed by Diana Choi and Andy To (collectively, the "**Guarantors**"), pursuant to a facility letter dated October 22, 2024, as it may be amended from time to time (the "**Facility Letter**"), relating to the properties municipally known as 507 Queen Street West, Toronto, Ontario and legally described in PIN 21239-0245(LT); and 693 Queen Street West, Toronto, Ontario and legally described in PIN 21242-0075(LT) (693 Queen Street West is hereinafter the "**Property**")

The undersigned hereby acknowledges receipt of a copy of the attached set of Standard Charge Terms filed as No. 201607 prior to signing the Charge/Mortgage of the Property given by the Borrower to the Lender and agrees to be bound by the provisions of the said Standard Charge Terms.

[signature page follows]

[Acknowledgement re SCT]

DATED this 31 day of October, 2024.

LEATO ENTERPRISE LTD.

Per: _____

Name: Diana Choi

Title: President

I have the authority to bind the corporation

Witness: _____

(please print)

Rob Balllock

Witness: _____

(please print)

Rob Balllock

Diana Choi

Andy To

EXHIBIT K

SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (together with BMO Harris Bank N.A. and Bank of Montreal's other affiliates and their respective successors who are owed any present or future debts, liabilities or obligations by the Debtor, collectively hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank, BMO Harris Bank N.A. and the Bank's other affiliates and their respective successors (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the *Personal Property Security Act* (Ontario) insofar as it affects personal property located in Ontario.

List all premises and asset locations, by schedule, if necessary

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Ontario:
507 Queen Street West, Toronto, Ontario
693 Queen Street West, Toronto, Ontario

Attach a schedule, if equipment is to be listed

2. The Debtor hereby:
 - (a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto;
 - (b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
 - (c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above;
 - (d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom; and
 - (e) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immoveable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situate or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of

the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may require any account debtor of the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligation of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

- (a) the Debtor shall default under any of the Obligations;
- (b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;
- (c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;
- (d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;
- (e) the Debtor shall cease to carry on business;
- (f) should any statement, certificate, representation or warranty made by the Debtor to the Bank prove to be, at the time it was made or deemed made, either incorrect, incomplete or inaccurate, whether or not contained in this Security Agreement;
- (g) should any event occur or fail to occur which, either singly or in the aggregate, would reasonably be expected to have a material adverse effect (i) on the business, assets, results of operations, prospects or condition (financial or otherwise) of the Debtor, (ii) on the ability of the Debtor to discharge any of its Obligations, or (iii) on the validity or enforceability of the rights, remedies or recourses of the Bank under this Security Agreement or any other documentation relating to the Obligations.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or

receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

- (a) as a whole or in various lots;
- (b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and
- (c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

12. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

13. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.

14. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

15. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid. Notwithstanding anything else to the contrary and to the extent legally permitted, the security interests granted by this Security Agreement shall be given to and held by the Bank as agent for itself, BMO Harris Bank N.A. and the Bank's other affiliates and their respective successors as continuing *pari passu* collateral security for all present and future debts, liabilities and obligations owed by the Debtor to any of them.

16. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Bank.

17. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

18. This Security Agreement is a security agreement within the meaning of the Personal Property Security Act (Ontario) and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

19. The Debtor Acknowledges receipt of a copy of this agreement.

20. In construing this Security Agreement, terms herein shall have the same meaning as defined in the *Personal Property Security Act* (Ontario), unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and,

if more than one, shall apply and be binding upon each of them severally.

The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

Insert date of execution

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on the 31 day of October, 2024 (year)

LEATO ENTERPRISE LTD.

Per:

Name: Diana Choi

Title: President

I have the authority to bind the corporation

To be signed by Debtor; if Debtor is a corporation ensure signatures are authorized and if Debtor is a corporation with a corporate seal, affix Corporate Seal; Debtor's name should be typed

CORPORATE AUTHORIZING RESOLUTION

Required only for a corporation

"WHEREAS it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and its affiliates and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

NOW THEREFORE BE IT RESOLVED THAT:

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alterations, amendments or additions to which the President or a Vice-President of the Company may agree;
2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal and its affiliates, all as provided in the said draft security agreement;
3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his agreement to any amendments, alterations or additions incorporated therein;
4. the President and the Vice-President of the Company be and they are each alone hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such other acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

CERTIFICATE

To be completed by Secretary or other authorized officer; insert name of corporation

I am the _____
Secretary _____
of Leato Enterprise Ltd. and I hereby certify that:

Insert appropriate date

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 31 day of October, 2024 (year);

Use applicable clause

2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and
3. the resolution was passed at a meeting duly called and held on the date aforesaid and at which a quorum of the directors was present throughout the meeting, all the directors having received proper notice of the meeting or waiving such notice in accordance with the by-laws of the Company

(or where applicable - the Company is subject to the *Business Corporations Act of Ontario* and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the *Business Corporations Act*).

To be signed by Secretary or other authorized officer; affix corporate seal

Secretary

C. S.

EXHIBIT L

RUN NUMBER : 183
RUN DATE : 2026/07/02
ID : 20260702104343.91

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(3914)

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

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : LEATO ENTERPRISE LTD.

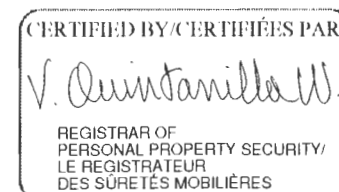
FILE CURRENCY : 01JUL 2026

ENQUIRY NUMBER 20260702104343.91 CONTAINS 3 PAGE(S), 1 FAMILY(IES).

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

MILLER THOMSON LLP (TORONTO) TORONTOSEARCH TEAM
40 KING ST W
TORONTO ON M5H 3S1

CONTINUED... 2



(crfj6 05/2022)



RUN NUMBER : 183
RUN DATE : 2026/07/02
ID : 20260702104343.91

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(3915)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : LEATO ENTERPRISE LTD.
FILE CURRENCY : 01JUL 2026

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
510646104

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	1		20241101 0911 1590 4224	P PPSA	5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 LEATO ENTERPRISE LTD.

05 ADDRESS 693 QUEEN STREET WEST TORONTO ONTARIO CORPORATION NO. M6J 1E6

06 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
07 NAME BUSINESS NAME

08 ADDRESS ONTARIO CORPORATION NO.

09 SECURED PARTY / BANK OF MONTREAL
LIEN CRIMINAL

10 ADDRESS 100 KING STREET WEST, 19TH FLOOR TORONTO ON M5X 1A1

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

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

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING SCHNEIDER RUGGIERO SPENCER MILBURN LLP
17 AGENT

ADDRESS 1000-120 ADELAIDE STREET WEST TORONTO ON M5H 3V1

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

CONTINUED... 3

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

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 183
RUN DATE : 2026/07/02
ID : 20260702104343.91

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

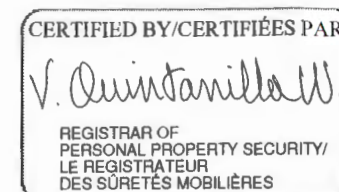
REPORT : PSSR060
PAGE : 3
(3916)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : LEATO ENTERPRISE LTD.
FILE CURRENCY : 01JUL 2026

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
510646104	20241101 0911 1590 4224			

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



(crfj6 05/2022)

EXHIBIT M

Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal ((together with BMO Harris Bank N.A. and Bank of Montreal's other affiliates and their respective successors who are owed any present or future debts, liabilities or obligations by the Customer, collectively, the "Bank") dealing with LEATO ENTERPRISE LTD.

(the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. Notwithstanding anything else to the contrary and to the extend legally permitted, this guarantee is granted to and held by the Bank as agent for itself, BMO Harris Bank N.A. and the Bank's other affiliates and their respective successors who are owed any present or future debts, liabilities and obligations by the Customer, it being agreed by the undersigned that all such present and future debts, liabilities and obligations owed to Bank of Montreal and any of its affiliates are guaranteed by this agreement (subject only to any limitation in the immediately following sentence). The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of Six Million

Dollars \$6,000,000.00 plus interest thereon at a rate of 3.000 per cent per annum above the

Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with

respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of
Canadian
Province in
which
Customer's
account with
the Bank is
kept at the time
Guarantee is
given

THIS CONTRACT shall be construed in accordance with the laws of the Province of Ontario and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned and, for the avoidance of doubt, references to the Bank and obligations owed to the Bank by the Customer shall be interpreted as referring to Bank of Montreal, BMO Harris Bank N.A. and Bank of Montreal's other affiliates and their successors and obligations owing to any of them by the Customer

This clause
applies to
the Province
of Québec
only

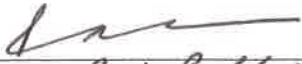
It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

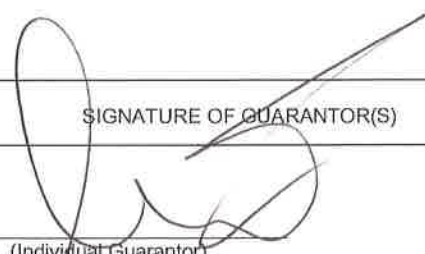
DATED as of October 31, 2024.

Witness to
sign for
each
individual
(i.e. natural
person)
guarantor
who signs.

WITNESS(ES) TO SIGNATURES OF INDIVIDUAL(S)

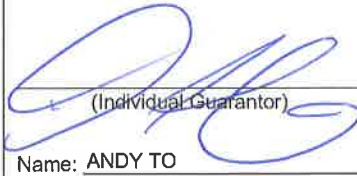
SIGNATURE OF GUARANTOR(S)


Name: Rob Pottow


(Individual Guarantor)

Name: DIANA CHOI


Name: Rob Pottow


(Individual Guarantor)

Name: ANDY TO

Name: _____

(Individual Guarantor)

Name: _____

Name: _____

(Individual Guarantor)

Name: _____

(Name of Corporation/Entity Guarantor)

By: _____

Name: _____

Title: _____

EXHIBIT N

First Canadian Place
100 King Street West, 19th Floor
Toronto ON M5X 1A1



First Canadian Place
100 King Street West,
19th Floor, Toronto,
Ontario, Canada, M5X 1A9

June 22, 2026

VIA EMAIL AND COURIER

LEATO ENTERPRISE LTD.
507 Queen Street West
Toronto, Ontario, M5V 2B4
Email: leatoltd@gmail.com

Guarantors

Ms. Diana Choi
Mr. Andy To

Email: DLCHOI899@gmail.com

Copy to:
(collectively the “**Corporate Guarantors**”)

Dear Ms Choi and Mr. To,

Re: Default under Letter of Agreement dated May 21, 2024 and Letter of Agreement -
Amendment and Restatement dated October 22nd, 2024 (the “**Letter Agreement**”)
between the Borrower and the Bank of Montreal (“**BMO**”)

We refer to the Letter of Agreement whereby BMO provided the Borrower with financing to the maximum amount of \$5,984,143.52. We also refer to the security granted by the Borrower in favour of BMO to secure repayment of the amounts advanced under the Letter Agreement including but not limited to:

1. Registered first-ranking All Indebtedness/Collateral Mortgage in the amount of \$2,800,000.00 registered over LT 12 PL 303 CITY WEST; CITY OF TORONTO with the

- municipal address of 507 Queen Street West Toronto, Ontario Canada M5V 2B4 (the "Mortgaged Property") with appropriate enabling resolutions and documentation
2. Registered first-ranking All Indebtedness/Collateral Mortgage in the amount of \$3,200,000.00 registered over LT 5 PL D113 TORONTO; CITY OF TORONTO with the municipal address of 693 Queen St W Toronto, Ontario Canada M6J 1E6 (the "Mortgaged Property") with appropriate enabling resolutions and documentation.
 3. \$6,000,000 Personal Guarantee from DIANA CHOI and ANDY TO
 4. Registered General Security Agreement ("GSA")/Moveable Hypothec ("Hypothec") providing BMO with a security interest/hypothec over all present and after-acquired tangible and intangible assets of LEATO ENTERPRISE LTD.
 5. Registered General Security Agreement ("GSA")/Moveable Hypothec ("Hypothec") providing BMO with a security interest/hypothec over all present and after-acquired tangible and intangible assets of DIANA CHOI.
 6. Assignment of Rents over 693 Queen St W Toronto, Ontario Canada M6J 1E6
 7. Assignment of Rents over 507 Queen Street West Toronto, Ontario Canada M5V 2B4

On June 2nd, 2026, the Borrower defaulted under the Letter Agreement by failing to pay \$37,020.76 in connection with the Letter Agreement. Details noted below:

Loan #	Principal	interest	Total	Payment date
387515010001	\$3,707.58	\$14,624.94	\$18,332.52	June 2 nd , 2026
387515010002	\$5,133.18	\$13,555.06	\$18,688.24	June 2 nd , 2026
Total	\$8,840.76	\$28,180.00	\$37,020.76	

This does not constitute an exclusive list of defaults or events of default which may have occurred or may be continuing under the Letter Agreement.

BMO requires that this default be cured by June 29th, 2026 failing which BMO reserves all of its rights regarding enforcement under the Letter of Agreement.

BMO has not waived any defaults or events of default arising from the breaches described above and BMO specifically reserves its rights, remedies and claims under the Letter Agreement or otherwise with respect to any and all such defaults and events of default.

If you have questions regarding this notice please contact the undersigned.

Yours Truly
Bank of Montreal



Name: Eric Falzone
Title: Relationship Manager
Tel: 416-705-5243
Email: eric.falzone@bmo.com

EXHIBIT O

Property Tax Lookup

New property owners will receive a property tax statement once ownership information has been updated. This statement will include a customer number which will allow access to account and online services through the Lookup tools.

Please complete the form to look up and view your tax account details.



← Start Over

Current tax year 2026 - property tax details

Property Tax Account Details

Assessment Roll No.

19-04-06-2-580-01000-0000-04

Property Address

507 QUEEN ST W

Owner Name(s).

LEATO ENTERPRISE LTD

Account Preferences

Payment Program

6-Instalments

Pre-Authorized Payment Plan

Account has past due.

eBilling Preferences

Go paperless!

Receive email notification of property tax bills

Account Status

Last Payment Received

05-Aug-2025

\$3,964.00

Next Payment Due

02-Jul-2026

\$3,642.81

Learn How to Make a Payment Online (<https://www.toronto.ca/services-payments/property-taxes-utilities/make-a-payment-online/>)

Overdue Amount (Due Now) \$16,287.71

Your account has been assigned to a Revenue Collector. Please call 416-395-0174 or email us at revcoll@toronto.ca (<mailto:revcoll@toronto.ca>) to arrange a suitable payment arrangement. If you would like to make payment in full of your overdue amount, you may do so through your financial institution.

► Overdue Amount Summary

Tax Year	2026
Description	Real Estate 2026
Amount	\$11,303.48
Interest/Penalties	\$423.88
Fees	\$0.00
Status	
Total	\$11,727.36
Tax Year	2025
Description	Real Estate 2025
Amount	\$3,964.00
Interest/Penalties	\$495.50
Fees	\$100.85
Status	Collection

Total	\$4,560.35
-------	------------

Print

Total Overdue Amount \$16,287.71

➤ Summary of Billed Amounts

➤ Bills and Notices

➤ Payment History (past 18 months)

➤ Vacant Home Tax

➤ Change Mailing Address

Contact Information

Tax & Utility Inquiry Line

Monday to Friday 8:30 a.m. to 4:30 p.m.

Telephone: 311

Outside city limits: 416-392-2489

TTY: Use 711 (<https://www.toronto.ca/city-government/accessibility-human-rights/accessibility-at-the-city-of-toronto/711-relay-service/>)

Email: propertytax@toronto.ca (<mailto:propertytax@toronto.ca>)

Related Information

[Inquiry & Payment Counters \(https://www.toronto.ca/services-payments/property-taxes-utilities/inquiry-payment-counters/\)](https://www.toronto.ca/services-payments/property-taxes-utilities/inquiry-payment-counters/)

[eBilling \(https://www.toronto.ca/services-payments/property-taxes-utilities/property-tax/ebilling/\)](https://www.toronto.ca/services-payments/property-taxes-utilities/property-tax/ebilling/)

[Tax & Utility Certificate \(https://www.toronto.ca/services-payments/property-taxes-utilities/tax-utility-certificate-service/how-to-request-a-tax-utility-certificate/\)](https://www.toronto.ca/services-payments/property-taxes-utilities/tax-utility-certificate-service/how-to-request-a-tax-utility-certificate/)

Bill ready

EXHIBIT P

Property Tax Lookup

New property owners will receive a property tax statement once ownership information has been updated. This statement will include a customer number which will allow access to account and online services through the Lookup tools.

Please complete the form to look up and view your tax account details.



← Start Over

Current tax year 2026 - property tax details

Property Tax Account Details

Assessment Roll No.

19-04-06-2-620-02000-0000-05

Property Address

693 QUEEN ST W

Owner Name(s).

LEATO ENTERPRISE LTD

Account Preferences

Payment Program

6-Instalments

Pre-Authorized Payment Plan

Account has past due.

eBilling Preferences

Go paperless!

Receive email notification of property tax bills

Account Status

Last Payment Received

06-May-2026

\$230.40

Next Payment Due

02-Jul-2026

\$4,671.75

Learn How to Make a Payment Online (<https://www.toronto.ca/services-payments/property-taxes-utilities/make-a-payment-online/>)

Overdue Amount (Due Now) \$20,315.58

Your account has been assigned to a Revenue Collector. Please call 416-395-0174 or email us at revcoll@toronto.ca (<mailto:revcoll@toronto.ca>) to arrange a suitable payment arrangement. If you would like to make payment in full of your overdue amount, you may do so through your financial institution.

► Overdue Amount Summary

Tax Year	2026
Description	WATER-260112
Amount	\$178.79
Interest/Penalties	\$4.46
Fees	\$51.61
Status	
Total	\$234.86
Tax Year	2026
Description	Real Estate 2026
Amount	\$13,999.89
Interest/Penalties	\$525.02
Fees	\$0.00
Status	

Total	\$14,524.91
Tax Year	2025
Description	Real Estate 2025
Amount	\$5,053.66
Interest/Penalties	\$401.30
Fees	\$100.85
Status	Collection
Total	\$5,555.81

Print

Total Overdue Amount \$20,315.58

➤ Summary of Billed Amounts

➤ Bills and Notices

➤ Payment History (past 18 months)

➤ Vacant Home Tax

➤ Change Mailing Address

Contact Information

Tax & Utility Inquiry Line

Monday to Friday 8:30 a.m. to 4:30 p.m.

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TTY: Use 711 (<https://www.toronto.ca/city-government/accessibility-human-rights/accessibility-at-the-city-of-toronto/711-relay-service/>)

Email: propertytax@toronto.ca (<mailto:propertytax@toronto.ca>)

Related Information

[Inquiry & Payment Counters \(https://www.toronto.ca/services-payments/property-taxes-utilities/inquiry-payment-counters/\)](https://www.toronto.ca/services-payments/property-taxes-utilities/inquiry-payment-counters/)

[eBilling \(https://www.toronto.ca/services-payments/property-taxes-utilities/property-tax/ebilling/\)](https://www.toronto.ca/services-payments/property-taxes-utilities/property-tax/ebilling/)

Tax & Utility Certificate (<https://www.toronto.ca/services-payments/property-taxes-utilities/tax-utility-certificate-service/how-to-request-a-tax-utility-certificate/>)

Bill ready

EXHIBIT Q



MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 6600
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

July 8, 2026

Armando Ranjbar
Direct Line: +1 416.595.8610
aranjbar@millerthomson.com

Private and Confidential
Delivered Via Courier and Registered Mail

File No. 0293814.0002

LEATO ENTERPRISE LTD.

693 Queen Street West
Toronto, Ontario M6J 1E6

Attention: Diana Choi

Dear Ms. Choi:

Re: **Indebtedness of Leato Enterprise Ltd. (the “Borrower”) to Bank of Montreal (the “Lender”) - Formal Demand for Payment**

We are the solicitors to the Lender with respect to the above-noted matter.

We refer to the Loan Documents and Security Documents identified in Schedule “A” hereto (together, the “**Loan and Security Documents**”).

Pursuant to the Loan and Security Documents, the Borrower is indebted to the Lender and is liable for the repayment of all amounts owing thereunder. As at July 6, 2026, the indebtedness owing to the Lender by the Borrower totals \$5,977,935.29, the particulars of which are as follows:

Facility	Principal	Interest Rate	Total Interest	Total	Per Diem
Facility #1 – Real Estate Facility over 693 Queen Street West, Toronto	\$3,092,041.92	4.99%	\$16,091.38	\$3,108,133.30	\$422.72
Facility #2 – Real Estate Facility over 507 Queen Street West, Toronto	\$2,703,658.88	6.17%	\$30,620.97	\$2,734,279.85	\$457.03
FRTL IRD Penalty	\$129,522.14				
Admin Fees	\$6,000.00				
TOTAL:	\$5,931,222.94		\$46,712.35	\$5,977,935.29	\$879.75

Total Indebtedness: \$5,977,935.29 as at July 6, 2026, plus further costs, charges, and expenses, including legal and professional fees on a full indemnity basis, plus interest presently accruing from and after July 6, 2026 at the *per diem* rate of \$879.75 per day (the “**Indebtedness**”).

The Borrower is in default of its obligations under the Loan and Security Documents. In particular, the Borrower failed to cover the loan payment due on June 29, 2026, and is in default of its June loan payment. The Indebtedness is payable on demand. The Lender is exercising its right to accelerate and demand payment of the Indebtedness.

On behalf of the Lender, we hereby demand payment from the Borrower of the Indebtedness, totaling the sum of \$5,977,935.29, as at July 6, 2026, plus interest thereon which continues to accrue from and after July 6, 2026 at the per diem rate of \$879.75, plus any and all costs incurred by the Lender, including without limitation, all professional fees and legal costs on a full-indemnity basis to the date of payment.

In the event that you fail to pay the sum indicated within 15 business days from the receipt of this letter, the Lender shall pursue remedies against you under the Loan and Security Documents and will take such further steps as it deems necessary or appropriate to recover the amounts outstanding.

The interest rates reflected herein are based upon the Lender's prime interest rate in effect from time to time ("**Prime**"). If Prime changes, there will be a corresponding change to the per diem interest rate payable at that time. Therefore, the exact amount owing to the Lender should also be confirmed with our office at the time of payment.

Please also find enclosed a Notice of Intention to Enforce Security ("**NITES**") pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada).

We trust that you will give this matter your immediate attention.

Yours truly,

MILLER THOMSON LLP

Per:



Armando Ranjbar
KM/cc

Enclosures

Notice of Intention to Enforce Security
Consent to Earlier Enforcement



Schedule “A”

The following document constitutes the “**Loan Documents**”:

1. the Letter of Agreement dated October 22, 2024, as amended and restated, between the Lender, Leato Enterprise Ltd., as borrower, and Diana Choi and Andy To, each as guarantors.

The following documents constitute the “**Security Documents**”:

1. the General Security Agreement between the Lender and Leato Enterprise Ltd. dated October 22, 2024;
2. the \$2,800,000 Charge/Mortgage of Land dated November 1, 2024, registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577351, against the property legally described as denoted by PIN 21239-0245 (LT);
3. the Notice of Assignment of Rents registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577352 against the property legally described as denoted by PIN 21239-0245 (LT);
4. the \$3,200,000 Charge/Mortgage of Land registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6690335, against the property legally described as denoted by PIN 21242-0075 (LT);
5. the Notice of Assignment of Rents dated registered in the Land Titles Office for the Registry Division of Toronto No. 66 on November 1, 2024 as Instrument No. AT6690336 against the property legally described as denoted by PIN 21242-0075 (LT); and
6. the Guarantee granted by Diana Choi and Andy To limited to the aggregate amount of \$6,000,000 plus interest and costs in favour of the Lender dated October 31, 2024.

**NOTICE OF INTENTION TO ENFORCE SECURITY
(SUBSECTION 244(1) OF THE BANKRUPTCY AND INSOLVENCY ACT)**

TO: Leato Enterprise Ltd. (the “**Debtor**”), an Insolvent Person

TAKE NOTICE THAT:

1. **The Bank of Montreal** (the “**Secured Party**”) intends to enforce its security on the property of the Debtor, being all of the Debtor’s:
 - (a) present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule to the Security (as defined below);
 - (b) present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
 - (c) present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above;
 - (d) present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom; and
 - (e) charges in favour of the Secured Party as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immoveable, of whatsoever nature and kind, both present and future.
2. The security that is to be enforced is further described in the following documents, each executed by the Debtor in favour of the Secured Party and collectively referred to herein as the “**Security**”:
 - (a) the General Security Agreement granted by Leato Enterprise Ltd. in favour of the Secured Party dated October 31, 2024, registered under the *Personal Property Security Act* (Ontario) on November 1, 2024, under file number 510646104 as registration number 20241101 0911 1590 4224;
 - (b) the Charge/Mortgage of Land registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577351, against the property municipally known as 507 Queen Street West, Toronto, Ontario, originally identified as PIN 21239-0245 (LT) and now, following the retirement of PIN 21239-0245 (LT), shown on the current Leato-owned PIN 21239-0660 (LT);
 - (c) the Notice of Assignment of Rents registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577352, against the property municipally known as 507 Queen Street West, Toronto, Ontario, originally identified as PIN 21239-0245 (LT) and now, following the retirement of PIN 21239-0245 (LT), shown on the current Leato-owned PIN 21239-0660 (LT);



- (d) the Charge/Mortgage of Land registered in the Land Titles Office for the Registry Division of Toronto No. 66 on November 1, 2024 as Instrument No. AT6690335, against the property municipally known as 693 Queen Street West, Toronto, Ontario; and
 - (e) the Notice of Assignment of Rents registered in the Land Titles Office for the Registry Division of Toronto No. 66 on November 1, 2024 as Instrument No. AT6690336, against the property municipally known as 693 Queen Street West, Toronto, Ontario.
3. As at July 6, 2026, the total amount of indebtedness secured by the Security is \$5,977,935.29, plus accruing interest at the *per diem* rate of \$879.75, plus any and all costs incurred by the Secured Party, including without limitation, all professional fees and legal costs on a full-indemnity basis to the date of repayment in full by the Debtor.
4. The Secured Party 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 Debtor consents to an earlier enforcement.

DATED at Toronto, Ontario, this 8th day of July, 2026.

BANK OF MONTREAL by its lawyers,
Miller Thomson LLP
40 King Street West, Suite 6600
Toronto, ON M5H 3S1



Armando Ranjbar
Tel : 416.595.8610
Email: aranjbar@millerthomson.com



**CONSENT TO EARLIER ENFORCEMENT OF SECURITY UNDER SECTION 244(2) OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: BANK OF MONTREAL (the “**Secured Party**”)

RE: Notice of Intention to Enforce Security under Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”), dated July 8, 2026, from the Secured Party (the “**Notice**”)

Capitalized terms used in this consent and waiver and not otherwise defined have meanings given to them in the Notice.

The undersigned hereby acknowledges that it has received the Notice and, in accordance with section 244(2) of the Act, it consents to earlier enforcement by the Secured Party of its Security.

DATED July , 2026.

LEATO ENTERPRISE LTD.

By:

Name:

Title:

I/We have authority to bind the corporation

EXHIBIT R



MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 6600
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

July 8, 2026

Armando Ranjbar
Direct Line: +1 416.595.8610
aranjbar@millerthomson.com

File No. 0293814.0002

Private and Confidential

Delivered Via Courier and Registered Mail

Andy To
20 Angus Glen Blvd.
Markham, ON L6C 1Z1

Attention: Andy To

Dear Mr. To:

Re: Bank of Montreal (the “Lender”) Loans to Leato Enterprise Ltd. (the “Borrower”) Guaranteed by Andy To (the “Guarantor”) - Formal Demand for Payment

We are the solicitors to the Lender with respect to the above-noted matter.

We refer to the Loan Documents and the Security Documents identified in Schedule “A” hereto (together, the **“Loan and Security Documents”**). In particular, we refer to the guarantee of all debts and liabilities of the Borrower limited to the aggregate amount of \$6,000,000, plus interest at a rate of Prime plus 3% per annum from the date of demand, plus interest and costs, dated October 31, 2024 (the **“Guarantee”**).

Pursuant to the Guarantee, the Guarantor guaranteed all obligations and indebtedness owing by the Borrower to the Lender, up to a maximum principal amount of \$6,000,000, plus interest thereon, accruing from and including the date of demand, plus any and all costs incurred by the Lender, including without limitation, all professional fees and legal costs on a full indemnity basis (the **“Guarantee Liability”**).

The Borrower is in default of its obligations under the Loan and Security Documents. The Lender has demanded payment of the obligations of the Borrower to the Lender by way of letter dated today’s date (the **“Borrower Demand Letter”**). A copy of the Borrower Demand Letter is enclosed.

On behalf of the Lender, we hereby demand immediate payment of the Guarantee Liability from the Guarantor, which is in the amount of \$5,977,935.29, as at July 6, 2026, plus interest thereon which accrues from and after at July 6, 2026, plus any and all costs incurred by the Lender, including without limitation, all professional fees and legal costs on a full-indemnity basis to the date of payment.

In the event that you fail to pay the sum indicated within 15 business days from the receipt of this letter, the Lender shall pursue remedies against you under the Loan and Security Documents and will take such further steps as it deems necessary or appropriate to recover the amounts outstanding.

The interest rates reflected herein are based upon the Lender’s prime interest rate in effect from time to time (**“Prime”**). If Prime changes, there will be a corresponding change to the *per diem* interest rate payable at that time. Therefore, the exact amount owing to the Lender should also be confirmed with our office at the time of payment.

Without prejudice to the Lender’s rights under this demand, the Lender is prepared to discuss with you terms of a forbearance agreement to allow you time to sell or refinance your farming operation and repay

the Indebtedness in an orderly manner, subject to terms to be agreed. Failing such agreement, the Indebtedness must be repaid as demanded herein. Any discussions or negotiations after the date of this letter regarding the terms of a forbearance agreement shall not operate as a waiver of this demand unless otherwise confirmed by the Lender in writing.

Yours truly,

MILLER THOMSON LLP

Per:

A handwritten signature in black ink, appearing to read "A. Ranjbar", with a long horizontal flourish extending to the right.

Armando Ranjbar
KM/cc

Enclosures

Borrower Demand Letter
Borrower Notice of Intention to Enforce Security
Borrower Consent to Earlier Enforcement



Schedule “A”

The following document constitutes the **“Loan Documents”**:

1. the Letter of Agreement dated October 22, 2024, as amended and restated, between the Lender, Leato Enterprise Ltd., as borrower, and Diana Choi and Andy To, each as guarantors.

The following documents constitute the **“Security Documents”**:

1. the General Security Agreement between the Lender and Leato Enterprise Ltd. dated October 22, 2024;
2. the \$2,800,000 Charge/Mortgage of Land dated November 1, 2024, registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577351, against the property legally described as denoted by PIN 21239-0245 (LT);
3. the Notice of Assignment of Rents registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577352 against the property legally described as denoted by PIN 21239-0245 (LT);
4. the \$3,200,000 Charge/Mortgage of Land registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6690335, against the property legally described as denoted by PIN 21242-0075 (LT);
5. the Notice of Assignment of Rents dated registered in the Land Titles Office for the Registry Division of Toronto No. 66 on November 1, 2024 as Instrument No. AT6690336 against the property legally described as denoted by PIN 21242-0075 (LT); and
6. the Guarantee granted by Diana Choi and Andy To limited to the aggregate amount of \$6,000,000 plus interest and costs in favour of the Lender dated October 31, 2024.



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July 8, 2026

Armando Ranjbar
Direct Line: +1 416.595.8610
aranjbar@millerthomson.com

File No. 0293814.0002

Private and Confidential
Delivered Via Courier and Registered Mail

LEATO ENTERPRISE LTD.

693 Queen Street West
Toronto, Ontario M6J 1E6

Attention: Diana Choi

Dear Ms. Choi:

Re: **Indebtedness of Leato Enterprise Ltd. (the “Borrower”) to Bank of Montreal (the “Lender”) - Formal Demand for Payment**

We are the solicitors to the Lender with respect to the above-noted matter.

We refer to the Loan Documents and Security Documents identified in Schedule “A” hereto (together, the “**Loan and Security Documents**”).

Pursuant to the Loan and Security Documents, the Borrower is indebted to the Lender and is liable for the repayment of all amounts owing thereunder. As at July 6, 2026, the indebtedness owing to the Lender by the Borrower totals \$5,977,935.29, the particulars of which are as follows:

Facility	Principal	Interest Rate	Total Interest	Total	Per Diem
Facility #1 – Real Estate Facility over 693 Queen Street West, Toronto	\$3,092,041.92	4.99%	\$16,091.38	\$3,108,133.30	\$422.72
Facility #2 – Real Estate Facility over 507 Queen Street West, Toronto	\$2,703,658.88	6.17%	\$30,620.97	\$2,734,279.85	\$457.03
FRTL IRD Penalty	\$129,522.14				
Admin Fees	\$6,000.00				
TOTAL:	\$5,931,222.94		\$46,712.35	\$5,977,935.29	\$879.75

Total Indebtedness: \$5,977,935.29 as at July 6, 2026, plus further costs, charges, and expenses, including legal and professional fees on a full indemnity basis, plus interest presently accruing from and after July 6, 2026 at the *per diem* rate of \$879.75 per day (the “**Indebtedness**”).

The Borrower is in default of its obligations under the Loan and Security Documents. In particular, the Borrower failed to cover the loan payment due on June 29, 2026, and is in default of its June loan payment. The Indebtedness is payable on demand. The Lender is exercising its right to accelerate and demand payment of the Indebtedness.

On behalf of the Lender, we hereby demand payment from the Borrower of the Indebtedness, totaling the sum of \$5,977,935.29, as at July 6, 2026, plus interest thereon which continues to accrue from and after July 6, 2026 at the per diem rate of \$879.75, plus any and all costs incurred by the Lender, including without limitation, all professional fees and legal costs on a full-indemnity basis to the date of payment.

In the event that you fail to pay the sum indicated within 15 business days from the receipt of this letter, the Lender shall pursue remedies against you under the Loan and Security Documents and will take such further steps as it deems necessary or appropriate to recover the amounts outstanding.

The interest rates reflected herein are based upon the Lender's prime interest rate in effect from time to time ("**Prime**"). If Prime changes, there will be a corresponding change to the per diem interest rate payable at that time. Therefore, the exact amount owing to the Lender should also be confirmed with our office at the time of payment.

Please also find enclosed a Notice of Intention to Enforce Security ("**NITES**") pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada).

We trust that you will give this matter your immediate attention.

Yours truly,

MILLER THOMSON LLP

Per:



Armando Ranjbar
KM/cc

Enclosures

Notice of Intention to Enforce Security
Consent to Earlier Enforcement



Schedule “A”

The following document constitutes the “**Loan Documents**”:

1. the Letter of Agreement dated October 22, 2024, as amended and restated, between the Lender, Leato Enterprise Ltd., as borrower, and Diana Choi and Andy To, each as guarantors.

The following documents constitute the “**Security Documents**”:

1. the General Security Agreement between the Lender and Leato Enterprise Ltd. dated October 22, 2024;
2. the \$2,800,000 Charge/Mortgage of Land dated November 1, 2024, registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577351, against the property legally described as denoted by PIN 21239-0245 (LT);
3. the Notice of Assignment of Rents registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577352 against the property legally described as denoted by PIN 21239-0245 (LT);
4. the \$3,200,000 Charge/Mortgage of Land registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6690335, against the property legally described as denoted by PIN 21242-0075 (LT);
5. the Notice of Assignment of Rents dated registered in the Land Titles Office for the Registry Division of Toronto No. 66 on November 1, 2024 as Instrument No. AT6690336 against the property legally described as denoted by PIN 21242-0075 (LT); and
6. the Guarantee granted by Diana Choi and Andy To limited to the aggregate amount of \$6,000,000 plus interest and costs in favour of the Lender dated October 31, 2024.

**NOTICE OF INTENTION TO ENFORCE SECURITY
(SUBSECTION 244(1) OF THE BANKRUPTCY AND INSOLVENCY ACT)**

TO: Leato Enterprise Ltd. (the “**Debtor**”), an Insolvent Person

TAKE NOTICE THAT:

1. **The Bank of Montreal** (the “**Secured Party**”) intends to enforce its security on the property of the Debtor, being all of the Debtor’s:
 - (a) present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule to the Security (as defined below);
 - (b) present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
 - (c) present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above;
 - (d) present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom; and
 - (e) charges in favour of the Secured Party as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immoveable, of whatsoever nature and kind, both present and future.
2. The security that is to be enforced is further described in the following documents, each executed by the Debtor in favour of the Secured Party and collectively referred to herein as the “**Security**”:
 - (a) the General Security Agreement granted by Leato Enterprise Ltd. in favour of the Secured Party dated October 31, 2024, registered under the *Personal Property Security Act* (Ontario) on November 1, 2024, under file number 510646104 as registration number 20241101 0911 1590 4224;
 - (b) the Charge/Mortgage of Land registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577351, against the property municipally known as 507 Queen Street West, Toronto, Ontario, originally identified as PIN 21239-0245 (LT) and now, following the retirement of PIN 21239-0245 (LT), shown on the current Leato-owned PIN 21239-0660 (LT);
 - (c) the Notice of Assignment of Rents registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577352, against the property municipally known as 507 Queen Street West, Toronto, Ontario, originally identified as PIN 21239-0245 (LT) and now, following the retirement of PIN 21239-0245 (LT), shown on the current Leato-owned PIN 21239-0660 (LT);



- (d) the Charge/Mortgage of Land registered in the Land Titles Office for the Registry Division of Toronto No. 66 on November 1, 2024 as Instrument No. AT6690335, against the property municipally known as 693 Queen Street West, Toronto, Ontario; and
 - (e) the Notice of Assignment of Rents registered in the Land Titles Office for the Registry Division of Toronto No. 66 on November 1, 2024 as Instrument No. AT6690336, against the property municipally known as 693 Queen Street West, Toronto, Ontario.
3. As at July 6, 2026, the total amount of indebtedness secured by the Security is \$5,977,935.29, plus accruing interest at the *per diem* rate of \$879.75, plus any and all costs incurred by the Secured Party, including without limitation, all professional fees and legal costs on a full-indemnity basis to the date of repayment in full by the Debtor.
4. The Secured Party 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 Debtor consents to an earlier enforcement.

DATED at Toronto, Ontario, this 8th day of July, 2026.

BANK OF MONTREAL by its lawyers,
Miller Thomson LLP
40 King Street West, Suite 6600
Toronto, ON M5H 3S1



Armando Ranjbar
Tel : 416.595.8610
Email: aranjbar@millerthomson.com



**CONSENT TO EARLIER ENFORCEMENT OF SECURITY UNDER SECTION 244(2) OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: BANK OF MONTREAL (the “**Secured Party**”)

RE: Notice of Intention to Enforce Security under Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”), dated July 8, 2026, from the Secured Party (the “**Notice**”)

Capitalized terms used in this consent and waiver and not otherwise defined have meanings given to them in the Notice.

The undersigned hereby acknowledges that it has received the Notice and, in accordance with section 244(2) of the Act, it consents to earlier enforcement by the Secured Party of its Security.

DATED July , 2026.

LEATO ENTERPRISE LTD.

By: _____

Name:

Title:

I/We have authority to bind the corporation



MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 6600
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MILLERTHOMSON.COM

July 8, 2026

Armando Ranjbar
Direct Line: +1 416.595.8610
aranjbar@millerthomson.com

File No. 0293814.0002

Private and Confidential
Delivered Via Courier and Registered Mail

Diana Choi
20 Angus Glen Blvd.
Markham, ON L6C 1Z1

Attention: Diana Choi

Dear Ms. Choi:

**Re: Bank of Montreal (the “Lender”) Loans to Leato Enterprise Ltd. (the “Borrower”)
Guaranteed by Diana Choi (the “Guarantor”) - Formal Demand for Payment**

We are the solicitors to the Lender with respect to the above-noted matter.

We refer to the Loan Documents and the Security Documents identified in Schedule “A” hereto (together, the **“Loan and Security Documents”**). In particular, we refer to the guarantee of all debts and liabilities of the Borrower limited to the aggregate amount of \$6,000,000, plus interest at a rate of Prime plus 3% per annum from the date of demand, plus interest and costs, dated October 31, 2024 (the **“Guarantee”**).

Pursuant to the Guarantee, the Guarantor guaranteed all obligations and indebtedness owing by the Borrower to the Lender, up to a maximum principal amount of \$6,000,000, plus interest thereon, accruing from and including the date of demand, plus any and all costs incurred by the Lender, including without limitation, all professional fees and legal costs on a full indemnity basis (the **“Guarantee Liability”**).

The Borrower is in default of its obligations under the Loan and Security Documents. The Lender has demanded payment of the obligations of the Borrower to the Lender by way of letter dated today’s date (the **“Borrower Demand Letter”**). A copy of the Borrower Demand Letter is enclosed.

On behalf of the Lender, we hereby demand immediate payment of the Guarantee Liability from the Guarantor, which is in the amount of \$5,977,935.29, as at July 6, 2026, plus interest thereon which accrues from and after at July 6, 2026, plus any and all costs incurred by the Lender, including without limitation, all professional fees and legal costs on a full-indemnity basis to the date of payment.

In the event that you fail to pay the sum indicated within 15 business days from the receipt of this letter, the Lender shall pursue remedies against you under the Loan and Security Documents and will take such further steps as it deems necessary or appropriate to recover the amounts outstanding.

The interest rates reflected herein are based upon the Lender’s prime interest rate in effect from time to time (**“Prime”**). If Prime changes, there will be a corresponding change to the *per diem* interest rate payable at that time. Therefore, the exact amount owing to the Lender should also be confirmed with our office at the time of payment.

Without prejudice to the Lender’s rights under this demand, the Lender is prepared to discuss with you terms of a forbearance agreement to allow you time to sell or refinance your farming operation and repay the Indebtedness in an orderly manner, subject to terms to be agreed. Failing such agreement, the

Indebtedness must be repaid as demanded herein. Any discussions or negotiations after the date of this letter regarding the terms of a forbearance agreement shall not operate as a waiver of this demand unless otherwise confirmed by the Lender in writing.

Yours truly,

MILLER THOMSON LLP

Per:

A handwritten signature in black ink, appearing to read "A. Ranjbar", with a long horizontal flourish extending to the right.

Armando Ranjbar
KM/cc

Enclosures

Borrower Demand Letter
Borrower Notice of Intention to Enforce Security
Borrower Consent to Earlier Enforcement



Schedule “A”

The following document constitutes the **“Loan Documents”**:

1. the Letter of Agreement dated October 22, 2024, as amended and restated, between the Lender, Leato Enterprise Ltd., as borrower, and Diana Choi and Andy To, each as guarantors.

The following documents constitute the **“Security Documents”**:

1. the General Security Agreement between the Lender and Leato Enterprise Ltd. dated October 22, 2024;
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3. the Notice of Assignment of Rents registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577352 against the property legally described as denoted by PIN 21239-0245 (LT);
4. the \$3,200,000 Charge/Mortgage of Land registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6690335, against the property legally described as denoted by PIN 21242-0075 (LT);
5. the Notice of Assignment of Rents dated registered in the Land Titles Office for the Registry Division of Toronto No. 66 on November 1, 2024 as Instrument No. AT6690336 against the property legally described as denoted by PIN 21242-0075 (LT); and
6. the Guarantee granted by Diana Choi and Andy To limited to the aggregate amount of \$6,000,000 plus interest and costs in favour of the Lender dated October 31, 2024.



MILLER THOMSON LLP
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MILLERTHOMSON.COM

July 8, 2026

Armando Ranjbar
Direct Line: +1 416.595.8610
aranjbar@millerthomson.com

File No. 0293814.0002

Private and Confidential
Delivered Via Courier and Registered Mail

LEATO ENTERPRISE LTD.

693 Queen Street West
Toronto, Ontario M6J 1E6

Attention: Diana Choi

Dear Ms. Choi:

Re: **Indebtedness of Leato Enterprise Ltd. (the “Borrower”) to Bank of Montreal (the “Lender”) - Formal Demand for Payment**

We are the solicitors to the Lender with respect to the above-noted matter.

We refer to the Loan Documents and Security Documents identified in Schedule “A” hereto (together, the “**Loan and Security Documents**”).

Pursuant to the Loan and Security Documents, the Borrower is indebted to the Lender and is liable for the repayment of all amounts owing thereunder. As at July 6, 2026, the indebtedness owing to the Lender by the Borrower totals \$5,977,935.29, the particulars of which are as follows:

Facility	Principal	Interest Rate	Total Interest	Total	Per Diem
Facility #1 – Real Estate Facility over 693 Queen Street West, Toronto	\$3,092,041.92	4.99%	\$16,091.38	\$3,108,133.30	\$422.72
Facility #2 – Real Estate Facility over 507 Queen Street West, Toronto	\$2,703,658.88	6.17%	\$30,620.97	\$2,734,279.85	\$457.03
FRTL IRD Penalty	\$129,522.14				
Admin Fees	\$6,000.00				
TOTAL:	\$5,931,222.94		\$46,712.35	\$5,977,935.29	\$879.75

Total Indebtedness: \$5,977,935.29 as at July 6, 2026, plus further costs, charges, and expenses, including legal and professional fees on a full indemnity basis, plus interest presently accruing from and after July 6, 2026 at the *per diem* rate of \$879.75 per day (the “**Indebtedness**”).

The Borrower is in default of its obligations under the Loan and Security Documents. In particular, the Borrower failed to cover the loan payment due on June 29, 2026, and is in default of its June loan payment. The Indebtedness is payable on demand. The Lender is exercising its right to accelerate and demand payment of the Indebtedness.

On behalf of the Lender, we hereby demand payment from the Borrower of the Indebtedness, totaling the sum of \$5,977,935.29, as at July 6, 2026, plus interest thereon which continues to accrue from and after July 6, 2026 at the per diem rate of \$879.75, plus any and all costs incurred by the Lender, including without limitation, all professional fees and legal costs on a full-indemnity basis to the date of payment.

In the event that you fail to pay the sum indicated within 15 business days from the receipt of this letter, the Lender shall pursue remedies against you under the Loan and Security Documents and will take such further steps as it deems necessary or appropriate to recover the amounts outstanding.

The interest rates reflected herein are based upon the Lender's prime interest rate in effect from time to time ("**Prime**"). If Prime changes, there will be a corresponding change to the per diem interest rate payable at that time. Therefore, the exact amount owing to the Lender should also be confirmed with our office at the time of payment.

Please also find enclosed a Notice of Intention to Enforce Security ("**NITES**") pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada).

We trust that you will give this matter your immediate attention.

Yours truly,

MILLER THOMSON LLP

Per:



Armando Ranjbar
KM/cc

Enclosures

Notice of Intention to Enforce Security
Consent to Earlier Enforcement



Schedule “A”

The following document constitutes the “**Loan Documents**”:

1. the Letter of Agreement dated October 22, 2024, as amended and restated, between the Lender, Leato Enterprise Ltd., as borrower, and Diana Choi and Andy To, each as guarantors.

The following documents constitute the “**Security Documents**”:

1. the General Security Agreement between the Lender and Leato Enterprise Ltd. dated October 22, 2024;
2. the \$2,800,000 Charge/Mortgage of Land dated November 1, 2024, registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577351, against the property legally described as denoted by PIN 21239-0245 (LT);
3. the Notice of Assignment of Rents registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577352 against the property legally described as denoted by PIN 21239-0245 (LT);
4. the \$3,200,000 Charge/Mortgage of Land registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6690335, against the property legally described as denoted by PIN 21242-0075 (LT);
5. the Notice of Assignment of Rents dated registered in the Land Titles Office for the Registry Division of Toronto No. 66 on November 1, 2024 as Instrument No. AT6690336 against the property legally described as denoted by PIN 21242-0075 (LT); and
6. the Guarantee granted by Diana Choi and Andy To limited to the aggregate amount of \$6,000,000 plus interest and costs in favour of the Lender dated October 31, 2024.

**NOTICE OF INTENTION TO ENFORCE SECURITY
(SUBSECTION 244(1) OF THE BANKRUPTCY AND INSOLVENCY ACT)**

TO: Leato Enterprise Ltd. (the “**Debtor**”), an Insolvent Person

TAKE NOTICE THAT:

1. **The Bank of Montreal** (the “**Secured Party**”) intends to enforce its security on the property of the Debtor, being all of the Debtor’s:
 - (a) present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule to the Security (as defined below);
 - (b) present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
 - (c) present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above;
 - (d) present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom; and
 - (e) charges in favour of the Secured Party as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immoveable, of whatsoever nature and kind, both present and future.
2. The security that is to be enforced is further described in the following documents, each executed by the Debtor in favour of the Secured Party and collectively referred to herein as the “**Security**”:
 - (a) the General Security Agreement granted by Leato Enterprise Ltd. in favour of the Secured Party dated October 31, 2024, registered under the *Personal Property Security Act* (Ontario) on November 1, 2024, under file number 510646104 as registration number 20241101 0911 1590 4224;
 - (b) the Charge/Mortgage of Land registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577351, against the property municipally known as 507 Queen Street West, Toronto, Ontario, originally identified as PIN 21239-0245 (LT) and now, following the retirement of PIN 21239-0245 (LT), shown on the current Leato-owned PIN 21239-0660 (LT);
 - (c) the Notice of Assignment of Rents registered in the Land Titles Office for the Registry Division of Toronto No. 66 on May 23, 2024 as Instrument No. AT6577352, against the property municipally known as 507 Queen Street West, Toronto, Ontario, originally identified as PIN 21239-0245 (LT) and now, following the retirement of PIN 21239-0245 (LT), shown on the current Leato-owned PIN 21239-0660 (LT);



- (d) the Charge/Mortgage of Land registered in the Land Titles Office for the Registry Division of Toronto No. 66 on November 1, 2024 as Instrument No. AT6690335, against the property municipally known as 693 Queen Street West, Toronto, Ontario; and
 - (e) the Notice of Assignment of Rents registered in the Land Titles Office for the Registry Division of Toronto No. 66 on November 1, 2024 as Instrument No. AT6690336, against the property municipally known as 693 Queen Street West, Toronto, Ontario.
3. As at July 6, 2026, the total amount of indebtedness secured by the Security is \$5,977,935.29, plus accruing interest at the *per diem* rate of \$879.75, plus any and all costs incurred by the Secured Party, including without limitation, all professional fees and legal costs on a full-indemnity basis to the date of repayment in full by the Debtor.
4. The Secured Party 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 Debtor consents to an earlier enforcement.

DATED at Toronto, Ontario, this 8th day of July, 2026.

BANK OF MONTREAL by its lawyers,
Miller Thomson LLP
40 King Street West, Suite 6600
Toronto, ON M5H 3S1



Armando Ranjbar
Tel : 416.595.8610
Email: aranjbar@millerthomson.com



**CONSENT TO EARLIER ENFORCEMENT OF SECURITY UNDER SECTION 244(2) OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: BANK OF MONTREAL (the “Secured Party”)

RE: Notice of Intention to Enforce Security under Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “Act”), dated July 8, 2026, from the Secured Party (the “Notice”)

Capitalized terms used in this consent and waiver and not otherwise defined have meanings given to them in the Notice.

The undersigned hereby acknowledges that it has received the Notice and, in accordance with section 244(2) of the Act, it consents to earlier enforcement by the Secured Party of its Security.

DATED July , 2026.

LEATO ENTERPRISE LTD.

By: _____

Name:

Title:

I/We have authority to bind the corporation

EXHIBIT S

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

B E T W E E N :

BANK OF MONTREAL

Applicant

- and -

LEATO ENTERPRISE LTD.

Respondent

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

TDB Restructuring Limited hereby consents to act as receiver, without security, of all assets, undertakings and properties of the Respondent pursuant to the Application of the Bank of Montreal.

DATED at Toronto, Ontario, this 7th day of August, 2026

TDB Restructuring Limited

Per:



Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
Managing Director

BANK OF MONTREAL
Applicant

and

LEATO ENTERPRISE LTD.
Respondent

Court File No: CL-26-00000359-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

CONSENT

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 6600
P.O. Box 1011
Toronto ON M5H 3S1

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Tel: 416.595.8610

Email: aranjbar@millerthomson.com

Lawyers for the Applicant, Bank of Montreal

BANK OF MONTREAL

and

LEATO ENTERPRISE LTD.

Court File No: CL-26-00000359-0000

Applicant

Respondent

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

Proceeding commenced at Toronto

**AFFIDAVIT OF MICHAELA WOLF
(SWORN AUGUST 13, 2026)**

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 6600
P.O. Box 1011
Toronto ON M5H 3S1

Kyla Mahar (LSO#: 44182G)

Tel: 416.597.4303

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Gina Rhodes (LSO#:78849U)

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Email: grhodes@millerthomson.com

Armando Ranjbar (LSO#: 93408B)

Tel: 416.595.8610

Email: aranjbar@millerthomson.com

Lawyers for the Applicant, Bank of Montreal

TAB 3

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

THE HONOURABLE MR.

)

MONDAY, THE 24TH

JUSTICE DUNPHY

)

DAY OF AUGUST, 2026

)

BANK OF MONTREAL

Applicant

- and -

LEATO ENTERPRISE LTD.

Respondent

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant, Bank of Montreal, for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing TDB Restructuring Limited as receiver and manager (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Leato Enterprise Ltd. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, including the real property described in Schedule A of this Order, was heard this day via Zoom videoconference in Toronto, Ontario.

ON READING the affidavit of Michaela Wolf, sworn August [13], 2026, and the Exhibits thereto and on hearing the submissions of the Applicant’s counsel and the other counsel listed on the endorsement, no one else appearing for any other party on the service list although duly served as appears from the affidavit of service, and on reading the consent of TDB Restructuring Limited to act as the Receiver,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, TDB Restructuring Limited 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 and including the real properties municipally known as: (i) 693 Queen Street West, Toronto, Ontario, M6J 1E6, and (ii) 507 Queen Street West, Toronto, Ontario M5V 2B4, legally described in Schedule A of this Order (collectively, the “**Property**”).

RECEIVER’S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary

course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and

negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. **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

8. **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

9. **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

10. **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

11. **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

12. **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

13. **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

14. **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

15. **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

16. **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

17. **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.

18. **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.

19. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. **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 \$500,000 (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.

21. **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.

22. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. **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

24. **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 <https://www.ontariocourts.ca/scj/files/guides/the-guide-concerning-commercial-list-e-service-en.pdf>) 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.

25. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

26. **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.

27. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

28. **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.

29. **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.

30. **THIS COURT ORDERS** that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant'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.

31. **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.

32. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from 12:00 a.m. on the date that it is made and is enforceable without the need for entry and filing. Any party may nonetheless submit a formal order for original signing, entry and filing.

SCHEDULE “A”

REAL PROPERTY

1. 21239-0660 (LT)

LT 12 PL 303 City West save and except Part 1 Expro Plan AT6737057; Subject to an easement in gross over Part 2 Expro Plan AT6737057; City of Toronto

2. 21242-0075 (LT)

LT 5 PL D113 Toronto; City of Toronto

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that TDB Restructuring Limited, the receiver (the "Receiver") of the assets, undertakings and properties Leato Enterprise Ltd. (the "Debtor") 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__.

TDB Restructuring Limited, solely in its
capacity as Receiver of the Debtor, and not
in its personal capacity

Name:

Title:

BANK OF MONTREAL

Applicant

and

LEATO ENTERPRISE LTD.

Respondent

Court File No: CL-26-00000359-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

RECEIVERSHIP ORDER
(dated August 24, 2026)

MILLER THOMSON LLP

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Lawyers for the Applicant, Bank of Montreal

TAB 4

~~Court File No.~~

Court File No.: CL-26-00000359-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE ~~MR.~~) ~~WEEKDAY~~MONDAY, THE # 24TH
JUSTICE ~~DUNPHY~~) DAY OF ~~MONTH~~AUGUST, ~~20YR~~2026

~~PLAINTIFF~~¹BANK OF MONTREAL

~~Plaintiff~~Applicant

- and -

LEATO ENTERPRISE LTD.

~~DEFENDANT~~Respondent

~~Defendant~~

ORDER
(appointing Receiver)

THIS ~~MOTION~~APPLICATION made by the ~~Plaintiff~~²Applicant, Bank of Montreal, for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "~~BIA~~") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "~~CJA~~") appointing ~~[RECEIVER'S NAME]~~TDB Restructuring Limited as receiver ~~[and manager]~~ (in such capacities, the "~~Receiver~~") without security, of all of the assets,

¹ ~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

² ~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

undertakings and properties of ~~[DEBTOR'S NAME]~~ Leato Enterprise Ltd. (the ~~"Debtor"~~) acquired for, or used in relation to a business carried on by the Debtor, including the real property described in Schedule A of this Order, was heard this day ~~at 330 University Avenue~~, via Zoom videoconference in Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ Michaela Wolf, sworn August [DATE] 13, 2026, and the Exhibits thereto and on hearing the submissions of the Applicant's counsel ~~for [NAMES]~~, ~~no one~~ and the other counsel listed on the endorsement, no one else appearing for ~~[NAME]~~ any other party on the service list although duly served as appears from the affidavit of service ~~of [NAME] sworn [DATE]~~, and on reading the consent of ~~[RECEIVER'S NAME]~~ TDB Restructuring Limited to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Motion~~ Application and the ~~Motion~~ Application is hereby abridged and validated³, as necessary, so that this ~~motion~~ application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~ TDB Restructuring Limited 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 "~~and including the real properties municipally known as: (i) 693 Queen Street West, Toronto, Ontario, M6J 1E6, and (ii) 507 Queen Street West, Toronto, Ontario M5V 2B4, legally described in Schedule A of this Order (collectively, the "Property"~~)~~).

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.

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the ~~Receiver's~~Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such

monies, including, without limitation, to enforce any security held by the Debtor;

- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the ~~Reeeiver's~~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 \$~~_____~~100,000, provided that the aggregate consideration for all such transactions does not exceed \$~~_____~~500,000; and

~~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*, ~~for~~ 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.~~

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing,

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.~~

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~~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 ~~Reeeiver's~~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~~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

7. ~~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

8. ~~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

9. ~~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

10. ~~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

11. ~~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~~ 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

12. ~~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

13. ~~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~~ 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

14. ~~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

15. ~~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~~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

16. ~~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~~RECEIVER'S ACCOUNTS

17. ~~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"~~"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~~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

18. ~~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.

19. ~~20.~~ **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. ~~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

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".~~

\$~~_____~~500,000 (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"~~"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.

21. ~~22.~~ **THIS COURT ORDERS** that neither the ~~Receiver's~~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.

22. ~~23.~~ **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule ~~"A"~~"B" hereto (the ~~"Receiver's Certificates"~~"Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. ~~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~~Receiver's Certificates.

SERVICE AND NOTICE

24. ~~25.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the **"Protocol"**) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at ~~<http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>~~ <https://www.ontariocourts.ca/scj/files/guides/the-guide-concerning-commercial-list-e-service-en.pdf>) 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 ‘<@>’.~~

25. ~~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~~ Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

26. ~~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.

27. ~~28.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

28. ~~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.

29. ~~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.

30. ~~31.~~ **THIS COURT ORDERS** that the ~~Plaintiff~~Applicant shall have its costs of this ~~motion~~Application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~Applicant's security or, if not so provided by the ~~Plaintiff's~~Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor's~~Debtor's estate with such priority and at such time as this Court may determine.

31. ~~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' 7 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.

32. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from 12:00 a.m. on the date that it is made and is enforceable without the need for entry and filing. Any party may nonetheless submit a formal order for original signing, entry and filing.

~~SCHEDULE~~ "SCHEDULE "A""

REAL PROPERTY

1. 21239-0660 (LT)

LT 12 PL 303 City West save and except Part 1 Expro Plan AT6737057; Subject to an
easement in gross over Part 2 Expro Plan AT6737057; City of Toronto

2. 21242-0075 (LT)

LT 5 PL D113 Toronto; City of Toronto

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ TDB Restructuring Limited, the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ Leato Enterprise Ltd. (the "Debtor") 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__.

TDB Restructuring Limited, solely in its
capacity as Receiver of the Debtor, and not
in its personal capacity

Name:

Title:

BANK OF MONTREAL

Applicant

and

LEATO ENTERPRISE LTD.

Respondent

Per:

~~[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its personal
capacity~~
Court File No: CL-26-00000359-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

RECEIVERSHIP ORDER
NAME: (dated August 24, 2026)

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<u>Move To</u>	6
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Table moves from	0
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BANK OF MONTREAL
Applicant

and

LEATO ENTERPRISE LTD.
Respondent

Court File No.: CL-26-00000359-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at
Toronto

APPLICATION RECORD
(Returnable August 24, 2026)

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