

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

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

**RESPONDING MOTION RECORD
(Motion to Redeem, Returnable March 15, 2024)**

March 11, 2024

BLANEY MCMURTRY LLP
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

Timothy R. Dunn (LSO #342491)
Tel: (416) 597-4880
Fax: (416) 593-5148
Email: tdunn@blaney.com

Alexandra Teodorescu (LSO #63889D)
Tel: (416) 596-4279
Fax: (416) 594-2506
Email: ateodorescu@blaney.com

Lawyers for the Court-appointed Receiver,
Pollard & Associates Inc.

TO: **SERVICE LIST**

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

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

INDEX

Tab	Document
1.	Supplementary Report of the Receiver, dated March 11, 2024
Schedule "A"	Commitment Letter from KPMAN Enterprises Inc. and 2106192 Ontario Inc., dated February 26, 2024
Schedule "B"	Commitment Letter from Doji Construction Services Inc., dated February 2, 2024
Schedule "C"	Statement of Receipts and Disbursements, dated February 16, 2024
Schedule "D"	E-mail from Receiver to A Ho, dated February 13, 2024

TAB 1

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondent

SUPPLEMENTARY REPORT TO THE
FIRST REPORT OF THE COURT APPOINTED RECEIVER OF
33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

March 11, 2024

1. This supplementary report is being submitted to the Court by Pollard & Associates Inc., in its capacity as receiver of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc. (in such capacity, the “**Receiver**”) pursuant to the Order of the Honourable Justice Cavanagh dated October 10, 2023 (the “**Supplementary Report**”).
2. The purpose of this Supplementary Report is to respond to the affidavit of Jason Allen John (“**John**”) sworn on March 7, 2024. John is one of the directors of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc. (the “**Companies**”).
3. All capitalized terms not otherwise defined in the Supplementary Report shall have the meaning ascribed to them in the First Report of the Receiver, dated March 1, 2024.
4. The Companies seek an order permitting the Companies to redeem the Vector Financial Services Limited (“**Vector**”) mortgage on or before March 25, 2024 and to obtain an order to discharge the Receiver.

5. The Companies, since the inception of the receivership, advised the Receiver of their intention to obtain financing to pay the first mortgage held by Vector and the costs associated with the receivership.

6. The Receiver's appointment was delayed to October 25, 2023 to allow the Companies time to obtain financing provided Vector received \$174,103.75 (the "**Interim Payment**") by no later than 5 p.m. on October 13, 2023 (the "**Interim Payment Date**"). The Receiver was advised by Vector that the Interim Payment was not received. The Receiver has been advised by Vector that the Companies have been attempting to obtain financing since June 2023.

7. The Receiver has reviewed the commitment letters attached to the affidavit of John as Exhibit J and K. The Receiver has also reviewed the draft trust statement attached as Exhibit L to the affidavit of John.

8. The commitment letter dated February 26, 2024 from KPMAN Enterprises Inc. and 2106192 Ontario Inc., (collectively "**KPMAN**") in the amount of \$7,150,000 is attached to this Supplementary Report as **Schedule "A"**. KPMAN's commitment letter outlines the requirements prior to the advance of the funds including without limitation receipt of a planning reliance letter regarding the current planning statement and the city of Toronto easement, evidence that the Companies have the ability to cash flow the development, an appraisal "as is" current of not less than \$11,725.00, and various other requirements to the satisfaction of the lender.

9. The commitment letter dated February 2, 2024 from Doji Construction Services Inc. ("**Doji**") in the amount of \$2,000,000, attached to this Supplementary Report as **Schedule "B"**, indicates that the closing must happen no later than March 1, 2024, or any other date agreed upon in writing. Documents reflecting an agreed upon closing date extension were not provided with the commitment letter as part of Exhibit K in the affidavit of John. Doji's commitment letter outlines in detail the due diligence investigation of the lender including obtaining a current "as is" appraisal of the property, an as if approved appraisal based on the August 31, 2023 request for severance, 2 years of financial statements of the Companies, net worth statements and various other requirements.

10. Exhibit L of John's affidavit is a draft trust statement dated February 16, 2024 (the "**Trust Statement**") which outlines the use of funds from the mortgages from KPMAN and Doji. The Receiver has noted that the Trust Statement attached to this Supplementary Report as **Schedule "C"** does not reflect the funds that would need to be disbursed to cover the mortgage debt owing to Vector, outstanding property taxes, legal fees and the fees of the Receiver.

11. The Receiver had advised counsel for the Companies by way of email dated February 13, 2024 which is attached as **Schedule "D"** of its estimated fees and expenses, the 2% brokerage agreement with the Agents and the total funds borrowed by the Receiver by way of Receiver's Certificates.

12. The Trust Statement prepared by counsel for the Companies indicates that after receipt of the funds from KPMAN and Doji additional funds will be required in the amount of \$883,932.65. John states in his affidavit that a new investor will provide the sum of \$900,000, the shortfall provided the Companies obtain the order sought. The shortfall is significantly more than the \$900,000 as it does not reflect the actual amount owing. The Companies did not provide any details as to the investor at this time.

13. The Trust Statement indicates that the debt owing to Vector is \$8,958,381.93 as at February 16, 2024. The amount owing to Vector as at March 25, 2024 will be \$9,145,768.05 before any additional legal fees.

14. The property taxes owing on the Trust Statement are incorrect. The Trust Statement only reflects partial taxes owing for 35 Hawarden Crescent in the amount of \$27,033.47 and nothing for 33 Hawarden Crescent. The Receiver obtained a verbal confirmation from the City of Toronto, on February 5, 2024, that the taxes owing for both properties were \$64,030.99. Additional property taxes will be owing for taxation year 2024.

15. The Trust Statement incorrectly reflects the Receiver's Certificates debt owing to Vector in the amount of \$41,514.02 whereas the Receiver has borrowed \$50,000 with interest at 12% per annum. The amount owing by the Receiver as at March 25, 2024 to Vector will be \$51,830.63.

16. The Trust Statement reflects the Receiver's fees at \$250,000 whereas the Receiver provided to counsel for the Companies on February 13, 2024 an estimate of \$300,000 plus HST. In addition, the Trust Statement does not reflect the 2% brokerage fee owing to the Agents.

17. The Trust Statement does not reflect the funds required as at the proposed redemption date on or before March 25, 2024. Additional funds would be required by the Companies as the Trust Statement does not take into account the current debt owing to Vector, the property taxes, the Receiver's borrowings, and the Receiver's fees and expenses.

18. The Receiver is concerned that KPMAN's and Doji's financing is not firm and that the unknown investor is not able or prepared to invest additional funds beyond the \$900,000 as outlined in John's affidavit and the Companies do not have the resources to obtain the additional funds required.

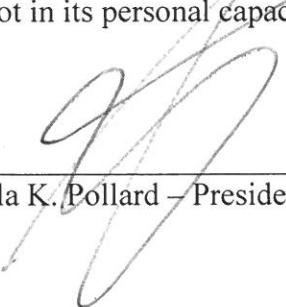
19. If financing is not completed by March 25, 2024, the creditors will incur additional costs which will result in a larger shortfall to Vector.

All of which is respectively submitted.

Dated March 11, 2024

POLLARD & ASSOCIATES INC.,
in its capacity as the Court Appointed Receiver of
33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.
and not in its personal capacity

Per:



Angela K. Pollard – President

SCHEDULE A

MORTGAGE COMMITMENT
PRIVATE AND CONFIDENTIAL

February 26, 2024 (Revised)

33 Hawarden Crescent Inc. & 35 Hawarden Crescent Inc.
c/o Jason Allen John
312-75 Queens Wharf Road
Toronto ON M5V 0J8

Attn: GennX Financial Corp.

Re: 1st Mortgage Financing – 33 & 35 Hawarden Crescent Toronto ON (“Subject Property”) (See Schedule “A” for Legal Description), (the “Subject Property”) (Collectively the “**Property**”)

Commitment Acceptance Date:

Based upon and subject to the accuracy of information furnished to us, we are pleased to provide you, **33 Hawarden Crescent Inc. & 35 Hawarden Crescent Inc. (the “Borrower”)** the following mortgage commitment (the “Commitment”) for the property described below (the “Subject Property”) subject to the terms (the “Terms”) set out in this Commitment and subject to you satisfying all the conditions (the “Conditions”) described in this Commitment, in a timely manner so that the Lender can expedite the advance on or before the Funding Date.

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

Loan Amount: \$7,150,000 (the "Loan" or "Loan Facility").

Interest Rate: 11% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 12 months after the interest adjustment date.

Amortization: Interest Only

Term: Subject to the terms of the mortgage commitment, the period (the "Term") shall commence on the Closing Date and terminate 6 months from the Interest Adjustment Date. The full balance of the Mortgage shall be repaid on the Maturity Date.

Guarantor: 100% Guarantees from all shareholders of the Borrower as well as the following Guarantors on a joint and several basis.

Ymmar Brown and Jason Allen John, Tyrone Grey
Guarantees to be satisfactory to the Lender in its sole and absolute discretion.

Repayment: Interest Only. Payable monthly on the 1st day of the month and compounded monthly from the full interest reserve.

Interest Reserve: Upon Funding the Loan, \$196,625.00 shall be retained and pledged as security for the purposes of paying the interest in mortgage initial term. Interest shall be withdrawn monthly until the funds are depleted. Once depleted, the Borrower shall make the monthly payments out of their own resources. Any unused amounts shall be returned to the Borrower upon discharge. The Interest reserve for the first mortgage may be paid by the Lender to the first Mortgagee.

Interest Adjustment Date: The 1st day of the month following the first advance.

Closing Date: The advance of initial funds will be determined upon waiver of the specified conditions and requirements. The initial advance must occur on or before March 29th, 2024 (referred to as the "**Closing Date**"). If the initial advance date extends beyond 3 business days from the Closing Date, at the Lender's discretion, this commitment may become null and void. Additionally, if the initial advance is more than 3 business days overdue, the interest rate and associated costs will be subject to prevailing market terms at that time, and all legal and related expenses will be the responsibility of the Borrower. The Lender has the sole discretion to amend the Closing Date to a later date.

Prepayment Privileges: The Loan is open for repayment on any payment date with payment of three month's interest as a bonus.

Purpose: To assist with the refinance and payout of the existing 1st mortgage as described in the Use of Funds attached herein, provide an interest reserve, and funding for Lender Fees, Broker Fees, Expenses, and legal fees. See Schedule attached herein and incorporated here by reference and forming an integral part of this Commitment Letter.

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

- 1.Ā A First mortgage on the property
- 2.Ā A direction and beneficial charge agreement granted by the Beneficial Owners, if applicable.
- 3.Ā A general security agreement in a form satisfactory to the lender's solicitor.
- 4.Ā Guarantee and postponement of claim from all Guarantors
- 5.Ā An assignment of all contracts related to the property.
- 6.Ā Pledge of each of all the shares in the capital of the Borrower.
- 7.Ā An assignment of all municipal approvals and agreements, construction contracts, project letters of credit and all architectural and mechanical drawings.
- 8.Ā Assignment and Postponement of Claim from i) all shareholders of the corporate Borrower, and ii) all related party debt holders of the corporate Borrower.
- 9.Ā Such further and other security as legal counsel for the Lender may reasonably require. Documentation, resolutions, legal opinions, and certificates as required by the Lender shall be in a form required by the Lender and its legal counsel, acting reasonably.

Lender Fees: Total Lender & Brokerage fee of 4% (the "Mortgage Fee").

1% of the Loan Amount shall be paid as a Commitment Fee Deposit upon execution of this Mortgage Commitment (the "Commitment Fee Deposit"). The Commitment Fee Deposit is deemed earned upon acceptance of this Commitment and applied as a credit towards the Mortgage Fee. The Deposit and Commitment Fee shall be forfeited if the Mortgage is not advanced due to any cause whatsoever save and except for default of the Lender. The Earnest Fee Deposit is deemed earned upon delivery of this Commitment, and the Commitment Fee Deposit shall be deemed earned and applied as a credit to total Lender and Brokerage Fee.

The Borrower shall be responsible for all fees, expenses, and funding requirements and a balance of the Mortgage Fee shall be payable from the closing proceeds on the closing date. The Lender Fee is deemed earned upon acceptance and execution of this Commitment. Any additional fees or costs payable to any other entity shall be for the account of the Borrower.

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

The Mortgagor authorizes the payment of the lender and broker fee to be deducted from the funds when advanced. Borrower shall be responsible for Lender's legal fees and disbursements and all 3rd party costs. The Borrower hereby agrees to pay the reasonable legal fees required by the Lender's Solicitors for the completion of the legal services related to this Mortgage.

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

Requirements: Prior to the Date of Advance, the Borrower for the Loan shall comply with and satisfy the following conditions precedent, and all other conditions precedent set out elsewhere herein or in a previous Loan Proposal, all to the satisfaction of the Lender, in its sole and unfettered discretion:

- a) **Encumbrances:** There shall be no encumbrances registered on the Property, save and except those allowed by the Lender.
- b) **Appraisal:** Receipt of a final appraisal from a Lender approved AACI Appraiser confirming an AS IS current value of the Property of not less than \$11,725,000, satisfactory to the Lender. The report shall be addressed to the Lender and or its assigns and lender clients.
- c) **Environmental and Soil Reports:** Satisfactory Environmental Assessment and Geotechnical reports for the Property with quantum of any potential Remediation costs fully disclosed and supported with Reliance Letters addressed to the Lender.
- d) **Mortgage and Financial Forms:** The Borrower and Guarantors delivering completed and signed current Lender Mortgage Application Forms, Net Worth Statement, Credit Checks and Background Check Consent Form on such forms as reasonably required. The borrower and guarantors shall provide financial, confirmation of equity and supporting information as the lender may require, including Financial Statements and cash flow statements satisfactory to the lender.
- e) **Planning Status:** Interview with Andrew Dale, Dales Consulting, and receipt of a Planning Reliance Letter to the satisfaction of the Lender, regarding the current planning status, City of Toronto easement, tree preservation plans and management, and overall justification to support the proposed development.
- f) **Project Budget:** Satisfactory Receipt of the project preliminary budget.
- g) **Cash Flow:** Evidence that the Borrower has the ability to cash flow the development and planning soft costs to successfully complete the severance within a reasonable time.
- h) **Equity:** Evidence of the Borrower's cash equity in the property supported by relevant documents and satisfactory to the Lender.
- i) **Property Taxes and Other Charges:** Confirmation Property Taxes, Levies, Fees, Local Improvement Charges, and Other Charges that are due and payable in connection with the subject Property have been paid.
- j) **Insurance Review:** The Lender shall engage, at the Borrower's expense, the services of a 3rd party Insurance Consultant to conduct a review of the Insurance Policy for the subject Property to ensure sufficient coverage is provided for the proposed financing inclusive of construction.
- k) **Use of Funds:** Satisfactory confirmation of the Use of Funds as described in Schedule B.
- l) **Liens & Encumbrances:** The Property is to be free and clear of any liens and encumbrances except those approved by the Lender.
- m) **Title Search:** The Lender's legal counsel confirming clear title.
- n) **Other Documents:** Any other documentation realized or required during the due diligence process of underwriting the loan and listed in Schedule B herein.

Representations and Covenants:

- a) Ä The Borrower shall be the legal and beneficial owner of a good and marketable freehold title to the Property and all personal property associated therewith. The Property and the personal property related thereto or used in connection with the operation thereof or which is necessary to the use and operation thereof, shall be free and clear of all security interests, charges, liens, mortgages, claims or other encumbrances and the Security provided for in this offer, to the complete satisfaction of the Lender.
- b) Ä All taxes, assessments, duties and other levies and charges affecting the Property, other than amounts which are not yet due and payable, shall have been paid prior to each advance of the Loan, failing which they shall be paid from the proceeds of any advance.
- c) Ä The Borrower shall provide to the appropriate taxation, municipal and other authorities an authorization by which the Lender or any person authorized by its legal counsel, agent or manager, shall be able to obtain, in the name of the Borrower, a confirmation from such authorities that all payments, declarations and other filings of the Borrower are up to date, whether authorities concerned have issued any or will issue any such notice concerning arrears. This authorization shall be in effect until the loan has been fully paid.
- d) Ä Each of the Borrower and the Beneficial Owners represents and warrants to the Lender as follows, where applicable, and acknowledge and confirm that the Lender is relying upon such representations and warranties:
- e) Ä The Borrower and each of the Beneficial Owners is a validly subsisting corporation in good standing in its jurisdiction and is duly qualified to carry on business in Ontario.
- f) Ä Power and Authority. The Borrower has the power, authority and right (a) to enter and deliver, and to exercise its rights and perform its obligations under, the Loan Documents to which it is a party and all other instruments and agreements delivered by it pursuant to any of the Loan Documents, and (b) to own the Project Lands and carry on its business as currently conducted and as currently proposed to be conducted by it.
- g) Ä Execution, Delivery, Performance and Enforceability of Loan Documents. The execution, delivery and performance of each of the Loan Documents to which the Borrower is a party, and every other instrument or agreement delivered by it pursuant to any Loan Document, has been duly authorized by all actions, and each of such documents has been duly executed and delivered and constitutes a valid and legally binding obligation of the Borrower enforceable against it in accordance with its terms subject to bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws of general application limiting the enforcement of creditors' rights generally and to general equitable principles.
- h) Ä The Borrower shall deliver the following: all title deeds, copies of all contracts affecting or relating to the property, required insurance policies, evidence of tax accounts and its status, certified copies of the Borrower's borrowing by-laws and resolutions authorizing this transaction, certified copies of Articles of Incorporations, certificate of incorporation, status of compliance of the Borrower, an original up to date survey acceptable to the Lender, and any other documents as may be reasonably required by the Lender's counsel.
- i) Ä All security and documentation related to this Loan as required by the Lender shall have been received and reviewed to the complete satisfaction of the Lender and all other approvals required by the Lender shall have been given and satisfied.
- j) Ä If at any time before or after the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements, or representations therefore made or furnished by or on behalf of the borrower, then the lender shall be entitled forthwith to cancel the lender's obligations hereunder

- or declare any monies therefore advanced with interest to be forthwith due and payable and retain all fees provided by the borrower.
- k) GennX Financial Corp. (Brokerage License # 13262, the "Brokerage") its successors and assigns in its capacity as a Broker and not as a Lender.
- l) KPMAN Enterprises Inc. & 2106192 Ontario Inc., (the "Lender") may participate or assign the loan at its discretion. The Borrower acknowledges that the lender is syndicating all or a portion of the loan and will utilize the services of a Mortgage Administrator on terms and all terms are conditional on successful completion of the syndication failing which this commitment shall be null and void. The Lender and its Lawyer shall be satisfied with the title to the Property in their sole and unfettered discretion.
- m) No Breach or Event of Breach will have occurred and be continuing the initial Funding Date or would result from making the requested advance.
- n) The lender has been satisfied with the feasibility of the Borrower's representations as it relates to the purpose and uses of funds as proposed herein.
- o) The Borrower is not now and will not be at the Date of Advance a non-resident of Canada within the meaning of the Income Tax Act (Canada).

The following requirements have been met to the Lender's satisfaction, prior to any advances:

Security in Place: All security being in place in form and content satisfactory to the Lender, the Borrower and its solicitors acting reasonably.

Execution of Documents: The Borrower, if any, executing all documents necessary to give effect to the Mortgage and further including but not limited to the mortgage agreement, which shall contain *inter alia* the provisions, set out in Schedule "A".

Title: The Lender being satisfied with the title to the properties and obtaining at the Borrower's expense a satisfactory Title Insurance Policy for the Mortgage.

Work Orders etc.: The Lender obtaining satisfactory evidence that there are no outstanding work orders or notices of violations from any governmental departments affecting the Property.

Fire: If required, the Borrower providing the Lender with satisfactory evidence that the Property has no infractions outstanding on file under the appropriate Fire Code. The Lender may be willing to accept coverage by way of satisfactory title insurance in place.

Costs Borne by the Borrower: The Borrower paying for all costs incurred by either the Borrower or the Lender including legal, appraisal, insurance consulting as well as other costs that arise in relation to the Loan.

Insurance: Receipt by the Lender of evidence that proper and adequate insurance is in place. The Borrower's risk advisor to review and ensure policy complies. The Borrower shall maintain public liability insurance to such amounts of not less than \$5,000,000 on a per-occurrence basis. The Insurer or Insurers shall sign each policy of insurance and the policy shall contain a clause showing loss payable the mortgagees as their interest may appear in the first instance. Each policy of insurance shall show loss payable to the mortgagees as their interest may appear. All insurance policies shall be in form and scope satisfactory to the Lender and its solicitors and the premiums on it shall be paid for a period of not less than six months. A third-party consultant shall review and approve the policies to their sole satisfaction at the Borrower's cost.

Material Change: It is a condition for disbursement of funds that in the Lender's opinion the financial position of the Borrower, and any of the property given as security, and the Borrower's representations and warranties, shall not have suffered any adverse change; nor shall there be any action, suits, or pending proceedings of which the Borrower has knowledge except as otherwise disclosed to the Lender; and that no event shall have occurred, which materially and adversely affects the whole or part of the value of the property or the financial position of the Borrower. No change in the ownership of the Property is permitted without the consent of the Lender, such consent may be unreasonably withheld.

Non-Merger: The Borrower's obligations contained in this Commitment shall survive the execution and registration of the Mortgage and any other security documentation and all advances of funds under the Mortgage, and the Borrower agrees that those obligations shall not merge in the execution and registration of the Mortgage and other security. All terms and conditions of our Mortgage and other security documentation shall form part of this Commitment.

Lender's Solicitor: The Lender being satisfied with the Lender's Solicitor's opinion on title, security and the validity, legality, and binding effect of all aspects of this Mortgage transaction. The Borrower agrees that the Lender's solicitors shall prepare all mortgage and other documents related to this Mortgage for review and approval by the Borrower and his solicitor, such approval not to be unreasonably withheld.

Identification: Pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the "Act"), the Lender is required to ask for identification of the Borrower and for information with respect to the source of funds, used in connection with the Borrower's equity in the Property. The Borrower hereby covenants and agrees to provide prior to the first advance, such identification and information as may be reasonably required to ensure the Lender's compliance with the Act.

Information: The Borrower and Guarantors authorize the Lender to request, on their behalf, at any time or from time to time, information regarding any prior or other encumbrance affecting the Property, or any other real or personal property of the Borrower or the Guarantors, including (without limitation) statements regarding any such encumbrance affecting the property or any property. Authorize the Lender to provide to any other party with an interest in any property of the Borrower or the Guarantors, or any assignee or potential assignee of the Charge information regarding the Loan and/or the Security, including (without limitation) a statement of indebtedness for the Loan.

Cancellation: The Lender shall have the right to terminate and cancel its agreement to provide the mortgage to the Borrower and shall be relieved of all obligations in connection therewith if the Borrower fails or is unable or unwilling to comply with the terms and conditions of this Commitment letter on or before the Closing Date including failing or refusing to execute documentation requested by the Lender or accepting the funds when advanced.

In the event the Loan is not advanced, and the Commitment is terminated, through no fault of the Lender, the Deposit shall not be refundable to the Borrower and may be retained by the Lender as liquidated damages. In addition, no termination of this Commitment shall limit or restrict or otherwise affect in any way: (i) the obligations of the Borrower to pay to the Lender any third-party fees, costs, including all legal fees and expenses in connection with the Loan; and (ii) any rights and remedies of the Lender against the Borrower arising from any breach of the Commitment by the Borrower including any claim for damages.

It is understood that the Lender has entered into this Commitment based on representations made by the Borrower and, if at any time there is or has been any material discrepancy or inaccuracy in any written or oral information, statements or representations heretofore or hereafter made or furnished to the Lender by or on behalf of the Borrower concerning the security or the Borrower's financial condition, then the Lender shall be entitled in its sole discretion to withdraw or cancel any obligation hereunder and decline to advance funds and in addition to forfeiture of the Deposit. All Lender, Brokerage fees and all costs including all legal fees shall be forthwith payable by the Borrower.

This Commitment shall be binding on the Borrower and Guarantors, and their successors and assigns. Where this Commitment has been executed by more than one person as Borrower or a Guarantor, the liability of the persons executing this Commitment as Borrower, or a Guarantor is joint and several and every reference in this Commitment to the "Borrower" or a "Guarantor" shall be construed as meaning each person who has executed it as well as all of them.

No term or condition of this Commitment or any of the Security may be waived or varied orally or by any course of conduct of the Lender. Any amendment to this Commitment or the Security must be in writing and signed by the Lender.

No waiver by the Lender of its rights or remedies hereunder shall be considered a waiver of any other or subsequent right of or remedy of the Lender, no delay or omission in the exercise or enforcement by the Lender of any right or remedy of the Lender and no exercise or the enforcement of such right or remedy shall be held to exhaust any right or remedy of the Lender. The Borrower and Guarantors acknowledge and agree that the Lender shall have the right to sell, transfer, assign or syndicate its rights under this Commitment and/or the Loan or any part thereof to any person, persons, corporation, corporations, or trust without further notice to, or the consent of, the Borrower and any reference to the Lender herein shall include its successors and assigns.

This Commitment is open for acceptance by the Borrower until end of day February 28th, 2024, by which time and date a copy of this Commitment duly executed the Borrower shall be delivered to the Lender together with any payment required hereunder. If this Commitment is not accepted by the aforementioned time and date, it will, at the option of the Lender, become null and void and of no force and effect.

Yours very truly,

A large, dark, handwritten signature in black ink, appearing to be a stylized name or set of initials, written over the text of the signature line.

210112 Ontario Inc. &
KPMN Enterprises Inc. (the "Lender")

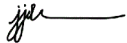
BORROWER ACCEPTANCE

The Borrower accept the foregoing and agree to comply with all the terms and conditions of this Commitment and acknowledge that they have reviewed this commitment by executing where indicated below, initialing each page, and returning the same by no later than the February 28th, 2024, after which this letter becomes void and may not be accepted without the further written concurrence of the mortgagee.

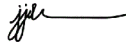
We acknowledge and accept the above-mentioned terms and conditions on this:

_____ 3/6/2024
_____ day of _____, 2024.

BORROWER: 33 Hawarden Crescent Inc.

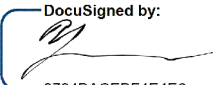
DocuSigned by:
 _____
Name: _____
4715EC85FB43433...
I have authority to bind the Corporation

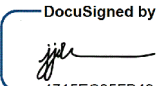
BORROWER: 35 Hawarden Crescent Inc.


DocuSigned by:
 _____
Name: _____
4715EC85FB43433...
I have authority to bind the Corporation

GUARANTOR ACCEPTANCE

The Guarantor accepts the foregoing and agree to comply with all the terms and conditions of this Commitment and acknowledge that they have reviewed this commitment by executing where indicated below, initialing each page, and returning the same by no later than the February 28th, 2024, after which this letter becomes void and may not be accepted without the further written concurrence of the mortgagee.

DocuSigned by:

Guarant... 8734BACEBF4E4E6...

DocuSigned by:

Guarantor: Jason Allen Join

DocuSigned by:

Guaran... 6EC9900E97114B0...

SCHEDULE B

Commitment Letter

February 2, 2024

Re: Mortgage Loan to 33 Hawarden Crescent Inc. & 35 Hawarden Crescent Inc. (the “Borrower(s)”)

Civic Address: 33 Hawarden Crescent Toronto ON PIN 33211780241
Legal Description: 33- PCL 79-1 SEC M502; LT 79 PL M502 TORONTO; S/T LT396436; TORONTO, CITY OF TORONTO

Owners: 33 Hawarden Crescent Inc.

Civic Address: 33 Hawarden Crescent Toronto ON PIN 35211780242
Legal Description: 35 - PCL 77-1 SEC M502; LT 78 S/S HAWARDEN CRES PL M502 TORONTO; PT LT 77 S/S HAWARDEN CRES PL M502 TORONTO COMM AT THE N E ANGLE OF SAID LT 78; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 60 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 77, DISTANT 10 FT WLY THEREON FROM THE N E ANGLE OF SAID LT 77; THENCE SLY IN A STRAIGHT LINE 246 FT 3 INCHES MORE OR LESS TO A POINT IN THE SLY LIMIT OF SAID LT 77, DISTANT 10 FT WLY THEREON FROM THE S E ANGLE OF SAID LT 77; THENCE ELY ALONG THE SLY LIMIT OF THE SAID LOTS, 60 FT MORE OR LESS TO THE S E ANGLE OF SAID LT 78; THENCE NLY ALONG THE ELY LIMIT OF SAID LT78; 250 FT MORE OR LESS TO THE POC; TORONTO, CITY OF TORONTO

Owners: 35 Hawarden Crescent Inc.
(collectively, the “Subject Property or Property”)

This will confirm that the lender agrees to provide a loan to the Borrower(s) under security of a second mortgage to be registered on title to the above properties subject to the terms herein and the Borrower(s) accept(s) such terms.

The mortgage shall have the following terms:

- 1. Principal Amount: \$2,000,000.00
- 2. Interest Rate: 15.00% per annum
- 3. Compounding: Monthly

Three blue square digital signatures with initials MJ, TG, and YB.

- 4. Mortgage Fee: \$125,000.00
- 5. Mortgage Set-Up Fee \$5,000.00
- 6. Inspection Fee: \$500.00
- 7. Amortization: None, interest only
- 8. Monthly Payments: \$25,000.00, on the 1st day of each and every month
- 9. Per Diem Interest Adjustment: \$921.91
- 10. Term: 12 months
- 11. Closing Date:

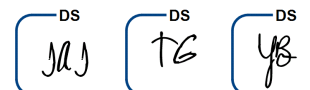
The "Closing Date" or "Closing" refers to the actual date when the full loan amount, also known as the "Initial Advance," is provided. It is also referred to as the "Initial Advance Date." The Borrower has requested to have the Closing scheduled for February 19th, 2024, on an expedited and best-efforts basis, unless the Borrower and the Lender mutually agree in writing to a different date before that. The specified date or any alternative date agreed upon is termed the "Scheduled Closing Date."

The Borrower recognizes that the proposed loan will be funded by the lender with more than one co-lender. These co-lenders will contribute their respective shares of advances on the Scheduled Closing Date or upon waiver of Lender's conditions and requirements, anticipating the loan's completion, and interest will start to accrue from the date that funds have been deposited with the Lender's solicitor in Trust (the "Interest Adjustment Date"). The Borrower consents to interest accruing on the Loan Amount from the Interest Adjustment Date, even if the actual Closing takes place later due to compliance with Commitment terms.

The Closing must happen no later than March 1st, 2024, or any other date agreed upon in writing by the Borrower and the Lender (referred to as the "Expiry Date"). Unless extended by written agreement, this Commitment terminates at 5:00 p.m. EST on the Expiry Date. After this time, the Lender is not obligated to make the full or initial advance of the Loan.

The Loan and the Lender's obligation to make the initial advance of the Loan are subject to the review and approval by the Lender in its sole discretion of the Conditions and Requirements outlined herein and in schedule 5 below.

- 12. Guarantor: Ymmar Brown and Jason Allen John, Tyrone Grey



13. Security:

Prior to the initial advance, a second priority mortgage on the property shall be required in the amount of 1.2x the loan advance together with the following security.

- (a) A second priority general assignment of rents and leases for the Property;
- (b) A general security agreement comprising a second security interest on the subject property owned by the Borrower or beneficial owner, if any, now or hereafter situate on or used or acquired in connection with or arising from the Property and registered under the applicable provincial *Personal Property Security Act*;
- (c) A guarantee and postponement of claim from the Guarantor(s) who shall be jointly and severally liable with the Borrower for 100% of the loan. Guarantees are to be satisfactory to the Lender at its sole and absolute discretion. Lender has the right to request for additional guarantees from any other entities having a beneficial interest in the property.
- (d) The borrower and guarantors shall execute a negative pledge with respect to shareholder loans, shares, dividends, interest, fees, charges, expenses or other amounts accruing or owed on loans owing by the Borrower or Guarantors or otherwise compensate or pay any amounts, or permit to be compensated or paid any amounts, to any of the undersigned, the directors, officers, shareholders or employees of the undersigned or any other sponsors or the Property in each case until such time the Loan has been repaid in full.
- (e) Second Assignment of all plans, approvals and development information as it relates to the plans for the development of the Property throughout the term of the Loan with full copies to be provided prior to funding.
- (f) An assignment of fire, builders all risk and public liability insurance;
- (g) A commercial title insurance policy issued by Stewart Title, Chicago Title or First Canadian Title;
- (h) An environmental indemnity from the Borrower and Guarantor;
- (i) If registered title to the Property is held for a third party beneficiary, a beneficial ownership agreement; and

Three DocuSign signature boxes are located at the bottom right of the page. Each box contains a signature and the letters 'DS' above it. The signatures are: 'MJ' (first box), 'TG' (second box), and 'YB' (third box).

- (j) Such other documents, instruments, agreements and security the Lender or Lender's solicitor may reasonably require.

Assignment. The lender may assign his or its obligations under this Commitment Letter.

Lender Fee and Brokerage Fee. The Lender Fee and Broker Fee are fully earned upon the execution of this Commitment Letter. If the transaction contemplated herein is consummated, all fees due hereunder shall be deducted from the advance. If the transaction contemplated herein is not consummated, save and except for default of the Lender, the Borrower(s) shall forthwith pay the Lender Fee, Broker Fee, the Lender's legal fees and disbursements, and all other fees due hereunder, by way of bank draft of certified cheque. It is noted that upon acceptance of the Loan Commitment the Borrower shall provide a Deposit of \$10,000 (the "Deposit"). Upon execution of this Commitment by the Lender, the Deposit shall be deemed earned and the Deposit shall be applied as a credit to total Lender and Brokerage Fee.

Interest. The Borrower(s) has/have asked the Lender to make funds available on the Closing Date noted above. If, as a result of the Borrower(s) inability to satisfy the Lender's diligence requests or provide executed copies of the Lender's standard form mortgage documentation, the transaction contemplated hereunder is not consummated on or prior to the Closing Date noted above, interest under the mortgage shall nonetheless begin to accrue on the Closing Date noted above, unless the Closing Date is extended by mutual agreement. The parties hereto agree this is reasonable given the opportunity cost suffered by the Lender in making funds available on the Closing Date noted above.

Identification. All Borrower(s) and Guarantor(s) shall provide 2 pieces of identification in connection with the mortgage.

Legal and Appraisal and other 3rd Party Expenses. The Borrower(s) shall pay the Lender's legal fees and disbursements and appraisal fees, and any other reasonable 3rd party expenses regardless of whether the transaction contemplated herein is consummated, other than due to a default of the Lender.

Tenancies. Unless disclosed to the lender, the Borrower(s) represent(s) and warrant(s) that no property being charged as security for this mortgage loan is subject to any tenancy. If any property being charged as security for this mortgage loan is subject to any tenancy, the Borrower(s) hereby consent(s) to the registration of an assignment of rents, in favour of the Lender, on the tenanted property, at the sole cost of the Borrower(s).

DS DS DS
MJ TG YB

Due Diligence. The Lender's obligations hereunder are conditional on the Lender's satisfaction, based on his or its sole and unfettered discretion, with the result of its due diligence investigation. The Borrower(s) shall promptly provide the Lender with all documentation and consents the Lender reasonably requires in connection with its due diligence investigation. The Lender's due diligence investigation may include, but not necessarily be limited to, the following:

1. searching title to the property;
2. confirming that there are no liens or other encumbrances affecting the property other than permitted encumbrances contemplated herein;
3. confirming that there are no writs of execution affecting any Borrower or Guarantor;
4. obtaining proof that taxes on the property have been paid to date;
5. obtaining a final as is current appraisal of the property and an as if approved appraisal based on the August 31, 2023 request for severance, satisfactory to the Lender;
6. obtaining the current and previous 2 years financial statements for each Borrower and Guarantor, bank statements, and balance and trial balance sheets for the most recent month end of the project (including a detailed list of cost to date);
7. obtaining evidence of funded equity in the property by one or more of the Borrowers or Guarantors.
8. obtaining a statement of net worth of each of the Borrower(s) and Guarantor(s) and obtaining documentation supporting the foregoing;
9. obtaining a statement of income of each of the Borrower(s) and Guarantor(s) and obtaining documentation supporting the foregoing; and
10. an organization chart showing the legal ownership interests of the property amongst the Borrower, each beneficial owner, all shareholders, unit holders, companies and trusts, if any that have direct or indirect ownership interest in the property;
11. details and confirmation of use of funds (see Schedule B)
12. obtaining a current planning report to support the current status and feasibility of the project, and timelines for development;
13. obtaining a detailed preliminary development budget with a proforma profit statement for the project;
14. satisfactory review of the executed 1st mortgage agreement;
15. terms of the mortgage are subject to the final review and evaluation of the Guarantor's financial standing and capacity to finance and cash flow the project.
16. Any other information or documentation the Lender may reasonably request.

The Borrower(s) shall bear the cost of the Lender's due diligence investigation regardless of whether the transaction contemplated hereunder is consummated. If the transaction contemplated herein is not consummated, the Borrower(s) shall forthwith pay the cost of the due diligence investigation by way of bank draft of certified cheque.

Documentation. Prior to funding, the Borrower(s) shall sign the Lender's standard form mortgage documentation.

Title Insurance. Prior to funding, the Borrower(s) shall deliver evidence that a valid title insurance policy with applicable schedules has been placed with a title insurer approved by the Lender. In the alternative, at the option of the Lender, the Lender may arrange for appropriate title insurance, at the sole cost of the Borrower(s).

Post Dated Cheques. Unless interest for the full term of the mortgage is deducted from the advance, the Borrower(s) shall provide the Lender with post-dated cheques for payments due under the entire term of the mortgage. Such cheques shall be held in escrow pending the closing of the mortgage. If there is more than one Lender, the Borrower(s) will issue each Lender a separate set of post-dated cheques for each Lender's proportionate share of the

Additional Mortgage Terms. In addition to the terms herein the mortgage shall be subject to the additional terms appended hereto as Schedule A (the "**Additional Terms**") and Standard Charge Terms No. 200033 (the "**Standard Charge Terms**").

Time is of the Essence. In all matters, time shall remain of the essence.

DS DS DS
JAJ TG YB

Representations and Covenants:

The Borrower shall be the legal and beneficial owner of a good and marketable freehold title to the Property and all personal property associated therewith. The Property and the personal property related thereto or used in connection with the operation thereof or which is necessary to the use and operation thereof, shall be free and clear of all security interests, charges, liens, mortgages, claims or other encumbrances and the Security provided for in this offer, to the complete satisfaction of the Lender.

All taxes, assessments, duties and other levies and charges affecting the Property, other than amounts which are not yet due and payable, shall have been paid prior to each advance of the Loan, failing which they shall be paid from the proceeds of any advance.

The Borrower shall provide to the appropriate taxation, municipal and other authorities an authorization by which the Lender or any person authorized by its legal counsel, agent or manager, shall be able to obtain, in the name of the Borrower, a confirmation from such authorities that all payments, declarations and other filings of the Borrower are up to date, whether authorities concerned have issued any or will issue any such notice concerning arrears. This authorization shall be in effect until the loan has been fully paid.

Each of the Borrower and the Beneficial Owners represents and warrants to the Lender as follows, where applicable, and acknowledge and confirm that the Lender is relying upon such representations and warranties:

The Borrower and each of the Beneficial Owners is a validly subsisting corporation in good standing in its jurisdiction and is duly qualified to carry on business in Ontario.

The Borrower shall deliver the following: all title deeds, copies of all contracts affecting or relating to the property, required insurance policies, evidence of tax accounts and its status, certified copies of the Borrower's borrowing by-laws and resolutions authorizing this transaction, certified copies of Articles of Incorporations, certificate of incorporation, status of compliance of the Borrower, an original up to date survey acceptable to the Lender, and any other documents as may be reasonably required by the Lender's counsel.

All security and documentation related to this Loan as required by the Lender shall have been received and reviewed to the complete satisfaction of the Lender and all other approvals required by the Lender shall have been given and satisfied.

If at any time before or after the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements, or representations therefore made or furnished by or on behalf of the borrower, then the lender shall be entitled forthwith to cancel the lender's obligations hereunder or declare any monies therefore advanced with interest to be forthwith due and payable and retain all fees provided by the borrower.

DS
JAJ

DS
TG

DS
YB

The Lender may participate or assign the loan at its discretion. The Borrower acknowledges that the lender is funding all or a portion of the loan and has the option to utilize the services of a Mortgage Administrator on terms and all terms are subject to the Lender's waiver of conditions failing which this commitment shall be null and void.

No Breach or Event of Breach will have occurred and be continuing the initial Funding Date or would result from making the requested advance.

The lender has been satisfied with the feasibility of the Borrower's representations as it relates to the purpose and uses of funds as proposed herein.

The Borrower is not now and will not be at the Date of Advance a non-resident of Canada within the meaning of the Income Tax Act (Canada).

The Lender shall have the right to terminate and cancel its agreement to provide the mortgage to the Borrower and shall be relieved of all obligations in connection therewith if the Borrower fails or is unable or unwilling to comply with the terms and conditions of this Commitment letter on or before the Closing Date including failing or refusing to execute documentation requested by the Lender or accepting the funds when advanced.

In the event the Loan is not advanced, and the Commitment is terminated, through no fault of the Lender, the Deposit shall not be refundable to the Borrower and may be retained by the Lender as liquidated damages, unless if caused by the default of the Lender. In addition, no termination of this Commitment shall limit or restrict or otherwise affect in any way: (i) the obligations of the Borrower to pay to the Lender any third-party fees, costs, and expenses in connection with the Loan; and (ii) any rights and remedies of the Lender against the Borrower arising from any breach of the Commitment by the Borrower including any claim for damages.

It is understood that the Lender has entered into this Commitment based on representations made by the Borrower and, if at any time there is or has been any material discrepancy or inaccuracy in any written or oral information, statements or representations heretofore or hereafter made or furnished to the Lender by or on behalf of the Borrower concerning the security or the Borrower's financial condition, then the Lender shall be entitled in its sole discretion to withdraw or cancel any obligation hereunder and decline to advance funds and in addition to forfeiture of the Deposit:

No waiver by the Lender of its rights or remedies hereunder shall be considered a waiver of any other or subsequent right of or remedy of the Lender, no delay or omission in the exercise or enforcement by the Lender of any right or remedy of the Lender and no exercise or the enforcement of such right or remedy shall be held to exhaust any right or remedy of the Lender. The Borrower and Guarantors acknowledge and agree that the Lender shall have the right to sell, transfer, assign or syndicate its rights under this Commitment and/or the Loan or any part thereof to any person, persons, corporation, corporations, or trust without further notice to, or the consent of, the Borrower and any reference to the Lender herein shall include its successors and assigns.

DS DS DS
JAJ TG YB

(signature page to follow next)

Doji Construction Services Inc.

Per: 



Accepted by the Borrower(s) this 5th day of February , 2024.

33 Hawarden Crescent Inc.

DocuSigned by:
Per: Jason Allen John
Name: Jason Allen John
I have authority to bind the Corporation

33 Hawarden Crescent Inc.

DocuSigned by:
Per: Tyrone Grey
Name: Tyrone Grey
I have authority to bind the Corporation

Accepted by the Guarantor(s) this 5th day of February , 2024.

DocuSigned by:

Ymmar Brown

08870E410E1243C...

Guarantor: Ymmar Brown

DocuSigned by:

Jason Allen John

E6F5CD594A1B427...

Guarantor: Jason Allen John

DocuSigned by:

Tyrone Grey

92A9434A391E468...

Guarantor: Tyrone Grey

SCHEDULE A
ADDITIONAL TERMS

The following terms of the Charge are in addition to any terms of the Charge as set out in Standard Charge Terms No. 200033 (the "Standard Charge Terms") and shall form a part of this Charge. Should there be any conflict between the following provisions and those contained in the Standard Charge Terms, the following provisions shall apply.

Prepayment

The Mortgage shall be closed for the initial 7 months and open thereafter for repayment in whole, not in part, on any payment date with 30 days prior notice, provided that the Chargor(s) is/are not in default under the charge.

Assignment

The Chargor(s) consent to the Chargee transferring, selling or assigning the debt, the Charge, and all of his or its rights under the debt and the Charge, in whole or in part, at any time.

In the event that the Chargee assigns transfers or otherwise conveys his or it's interest hereunder, and upon the delivery of notice of same to the Chargor(s), the Chargor(s), if so requested, shall without cost, at any time and from time to time, execute an acknowledgment with respect to the terms and conditions of the Charge and the amount outstanding thereunder. Failure to execute the acknowledgment shall be deemed to be default by the Chargor(s) under the Charge. If this Charge is assigned, the Chargor(s) shall, at the request of the assignee(s), issue new payment cheques to the assignee(s)

Payout After 2:00 P.M. And Payout on a Friday After 2:00 P.M.

There will be a charge of three days' interest should payout of the within Charge be received on a Friday later than 2:00 p.m. Should the Charge be paid on any weekday other than a Friday later than 2:00 p.m. then a charge of one days' interest will be added to the amount required to payout of the Charge.

Cross Default

A default by the Chargor(s) in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge, encumbrance or other agreement affecting the charged lands, whether or not it has priority over this Charge, shall constitute a default under this Charge and, upon such occurrence, this Charge shall, at the option of the Chargee, immediately become due and payable.

Tax/Water Status Inquiry

Should the Chargee, for any reason at his or its sole discretion, during the term of this Charge make any inquiry as to the status of the property tax and/or local improvement rates or water account due on the property, the mortgagor shall pay the mortgagee the sum of \$200.00 plus the cost imposed by the municipality for a tax or water certificate.

Right of Inspection

Should the Chargor(s) be in default under any term of this Charge, the Chargee may exercise a right to enter the property at any time without notice prior to the default being cured by the Chargor(s) in order to inspect the property and any buildings or other structures thereon. Should the Chargee exercise this right of inspection he shall be entitled to an inspection fee of \$300.00 per inspection.

Fees

Any fees charged by the Chargee, acting reasonably, shall be due and payable immediately by the Chargor(s). Should said charges not be paid within ten days of the Chargee giving notice to the Chargor(s) of the default and the amount of the fees and other costs which are due, said fees, costs and disbursements may be added to the principal due under the Charge and interest shall be due and payable on the said fees, costs and disbursements at the rate as set out in the mortgage from the date of the default or other event for which the fee is chargeable to the Chargor(s) by the Chargee.

At the option of the Chargee, in the event of a default by the Borrower, the Chargee may declare this Charge in default and the whole amount of this Charge, including principal, interest and fees, shall immediately become due and payable if any payment required under this section has not been made within the time period set out in the previous paragraph.

Acceleration of Principal and Interest

If the Chargor(s) is/are in default of any obligations under this Charge, the whole amount of this Charge, including principal, interest and fees, shall immediately become due and payable, at the sole option of the Chargee.

Renewal

This Charge does not automatically renew on maturity. If the Chargee and Chargor(s) agree to extend this Charge, the Chargee may charge a lender and/or broker fee in connection therewith.

Holdover

The final 30 days of the term shall be TD Bank Prime + 12.8% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding. After 60 days from the interest adjustment date, unless an extension agreement was previously arranged executed in writing between the Borrower and Lender, the rate on funds advanced shall be fixed at TD Bank Prime + 8% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

Environmental Warranty

The Chargor(s) covenant(s), represent(s) and warrant(s) that no Hazardous Materials, as defined below, have been released into the environment, or deposited, discharged, placed, located, incorporated, or stored in, at, on, under or near the charged premises or any buildings, chattels or improvements thereon, and that it and its tenants have at all times received, handled, stored, treated, shipped and disposed of all Hazardous Materials in strict compliance with all applicable federal, provincial, municipal or local laws, guidelines, requirements and regulations.

“Hazardous Materials” means any hazardous or dangerous waste or substance, pollutant, contaminant, waste or other substance without limitation, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing,

- i. any such substance as defined or designated under any Environmental Laws;
- ii. asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and,
- iii. radioactive and toxic substances.

Permissible Interest Rate

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

SCHEDULE C



ZAHEED MORAL
 BARRISTER & SOLICITOR
 PHONE: (647) 243-2548 X110
 DIRECT: (647) 243-2648
 FAX: (647) 243-2683
 ZAHEED@OWSLAW.CA

STATEMENT OF RECEIPTS AND DISBURSEMENTS

RE: 33 Hawarden Inc. and 35 Hawarden Inc. (the "Mortgagor") m/t Gennx Financial Corp. (the "Mortgagee")
 33 Hawarden, Toronto, Ontario M5P 1M8 (the "Property")
 Closing Date: February 16, 2024
 Our File No: 20-532R

Paid legal fees and disbursements to Zaheed Moral	\$ 25,079.57	
Paid Vector Financial Services Limited	\$ 8,958,381.93	
Paid to Vector Financial Services Limited	\$ 41,514.02	
Paid to Pollard and Associates Inc. (Approx.)	\$ 250,000.00	
Paid Legal Fees on 2nd Mortgage (Approx.)	\$ 20,000.00	
Paid Outstanding Utility - 35 Hawarden	\$ 1,174.62	
Paid Outstanding Taxes - 35 Hawarden	\$ 27,033.47	
Paid Outstanding Utility - 33 Hawarden	\$ 457.82	
Paid first Mortgage Registration Fee	\$ 83.11	
Paid Postponement of Mortgage to Registration Fee	\$ 83.11	
Received 1st Mortgage From KPMAN/2106192		\$ 7,150,000.00
Received 1st Mortgage Prepaid Interest (3 Months)		\$ (196,625.00)
Received 1st Mortgage Lender Fee @ 4%		\$ (286,000.00)
Received 2nd Mortgage From Doji Construction Service		\$ 2,000,000.00
Received 2nd Mortgage Prepaid Interest (3 Months)		\$ (37,500.00)
Received 2nd Mortgage Lender Fee @ 4%		\$ (80,000.00)
Received 1st Mortgage Broker Fee		\$ (55,000.00)
Received 2nd Mortgage Broker Fee		\$ (55,000.00)

Balance Owing from 33 and 35 Hawarden Inc. \$ 883,932.65

E. & O. E. \$ 9,323,807.65 \$ 9,323,807.65

SCHEDULE D

Fw: 33 Hawarden

Angela Pollard <akpollard@pollardandassoc.ca>

Tue 2/13/2024 8:53 AM

To:Adrienne Ho <aho@airdberlis.com>;Steven L. Graff <sgraff@airdberlis.com>;Obaidul Hoque <obaidul@owslaw.ca>

Cc:Timothy Dunn <tdunn@blaney.com>;Gertner, Thomas <Thomas.Gertner@gowlingwlg.com>

Adrienne, further to your email the other day. The Receiver has borrowed \$50,000 by way of Receivers certificate. The funds have been used for general expenses related to the property and to date we have incurred approximately \$46,000.

We estimate the Receivers fees and expenses (including legals) will be approximately \$300,000 plus HST.

In addition we have entered into a brokerage agreement with the agents who sold the property at 2% plus HST of the sale price.

Could you provide me with an update on the timing of receipt of the information requested in my previous email.

Angela

Angela K. Pollard, CMA, CPA, FCIRP, CFE, ICD.D, LIT

Pollard & Associates Inc.

31 Wright Street

Richmond Hill, Ontario, L4C 4A2

905-884-8191

VECTOR FINANCIAL SERVICES LIMITED

and

Court File No. CV-23-00704623-00CL
33 HAWARDEN CRESCENT INC. et al

Applicant

Respondents

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

Proceeding commenced at **Toronto**

RESPONDING MOTION RECORD

BLANEY MCMURTRY LLP

Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

Timothy R. Dunn (LSO #34249I)

Tel: (416) 597-4880

Fax: (416) 593-5148

Email: tdunn@blaney.com

Alexandra Teodorescu (LSO #63889D)

Tel: (416) 596-4279

Fax: (416) 594-2506

Email: ateodorescu@blaney.com

Lawyers for Court-appointed Receiver, Pollard &
Associates Inc.