

Court File No. CV-24-00003695-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

MERIDIAN CREDIT UNION LIMITED

Applicant

-and-

2444877 ONTARIO INC.

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

December 3, 2024

SPETTER ZEITZ KLAIMAN PC
Barristers and Solicitors
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Toronto, Ontario M2N 6N5
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Lawyers for the Applicant

TO: THIS HONOURABLE COURT

AND TO: SERVICE LIST

SERVICE LIST

TO:	2444877 ONTARIO INC. 1828 Blue Heron Drive, Unit 35 London, Ontario N6H 0B7 gurmittoor@gmail.com Respondent
AND TO:	GURMIT SINGH 1828 Blue Heron Drive, Unit 35 London, Ontario N6H 0B7 gurmittoor@gmail.com
AND TO:	2654231 ONTARIO INC. 40 Old Mill Road, Unit LPH8 Oakville, Ontario L6J 7W2
AND TO:	TOWN OF MINTO Treasurer's Office 5941 Highway 89, RR 1 Harriston, Ontario N0G 1Z0 gordon@town.minto.on.ca
AND TO:	msi Spergel Inc. 21 King Street West, Suite 1602 Hamilton, Ontario L8P 4W7 tpringle@spergel.ca Proposed Receiver
AND TO:	DEPARTMENT OF JUSTICE (CANADA) Ontario Regional Office 120 Adelaide Street West, Suite 400 Toronto, Ontario M5H 1T1 Email: AGC_PGC_Toronto.Lead-DCECJ@justice.gc.ca
AND TO:	MINISTRY OF FINANCE INSOLVENCY UNIT 6 th Floor, 33 King Street West Oshawa, Ontario L1H 8H5 Email: insolvency.unit@ontario.ca
AND TO:	CANADA REVENUE AGENCY 1 Front Street West Toronto, Ontario M5J 2X6 Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca

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I N D E X

Tab	Document
1.	Notice of Application issued December 3, 2024
2.	Affidavit of Ramune Beattie sworn December 2, 2024
A.	Exhibit “A” – Corporate Profile Report of 2444877 Ontario Inc. dated October 3, 2024
B.	Exhibit “B” – Abstract of Title for 212 Main Street West, Palmerston
C.	Exhibit “C” – Credit Agreement dated December 13, 2023
D.	Exhibit “D” – Registered Discharge of Charge of 216 Mortgage
E.	Exhibit “E” – Registered Discharge of Charge of Old 265 Mortgage
F.	Exhibit “F” – Tax Certificate dated May 14, 2024
G.	Exhibit “G” – Receipt from Town of Minto for Property Taxes dated June 24, 2024
H.	Exhibit “H” – Charge registered as WC732223 on June 18, 2024

Tab	Document
I.	Exhibit “I” – Notice of Assignment of Rents registered as WC732224 on June 18, 2024
J.	Exhibit “J” – Guarantee from Gurmit Singh dated March 7, 2024
K.	Exhibit “K” – General Security Agreement dated March 7, 2024
L.	Exhibit “L” – PPSA Search dated October 3, 2024
M.	Exhibit “M” – Charge registered as WC732726 on June 24, 2024
N.	Exhibit “N” – Execution Certificate dated November 18, 2024
O.	Exhibit “O” – Tax Certificate dated November 18, 2024
P.	Exhibit “P” – Payment History for Loan for June – October 2024
Q.	Exhibit “Q” - Email Correspondence between Singh and Beattie dated October 17, 21 and 22, 2024
R.	Exhibit “R” – Order to Comply dated August 8, 2024
S.	Exhibit “S” – Payout Statement for Old 265 Mortgage dated June 18, 2024
T.	Exhibit “T” – Meridian Payout Statement dated October 14, 2024
U.	Exhibit “U” – Demand and NITES to Borrower and Demand to Guarantor dated October 25, 2024
V.	Exhibit “V” – Consent to Act as Receiver
3.	Blacklined Receivership Order
4.	Draft Order

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED;

IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.
C.43, AS AMENDED

B E T W E E N:



MERIDIAN CREDIT UNION LIMITED

Applicant

- and -

2444877 ONTARIO INC.

Respondent

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

By Zoom videoconference on **December 13, 2024** at 10:00 a.m. (Zoom coordinates to be provided).

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: December 3, 2024

Issued by:

Kelsey Gray

Digitally signed by Kelsey Gray
Date: 2024.12.03 12:52:56 -05'00'

Local Registrar

Address of
Court Office:

Superior Court of Justice
80 Dundas Street
London, Ontario N6A 6A3

TO: Service List (attached)

SERVICE LIST

TO:	2444877 ONTARIO INC. 1828 Blue Heron Drive, Unit 35 London, Ontario N6H 0B7 Respondent
AND TO:	GURMIT SINGH 1828 Blue Heron Drive, Unit 35 London, Ontario N6H 0B7
AND TO:	2654231 ONTARIO INC. 40 Old Mill Road, Unit LPH8 Oakville, Ontario L6J 7W2
AND TO:	TOWN OF MINTO Treasurer's Office 5941 Highway 89, RR 1 Harriston, Ontario N0G 1Z0
AND TO:	msi Spergel Inc. 21 King Street West, Suite 1602 Hamilton, Ontario L8P 4W7 tpringle@spergel.ca Proposed Receiver
AND TO:	DEPARTMENT OF JUSTICE (CANADA) Ontario Regional Office 120 Adelaide Street West, Suite 400 Toronto, Ontario M5H 1T1 Email: AGC_PGC_Toronto.Lead-DCECJ@justice.gc.ca
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AND TO:	CANADA REVENUE AGENCY 1 Front Street West Toronto, Ontario M5J 2X6 Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca

APPLICATION

1. The Applicant, Meridian Credit Union Limited (“**Meridian**”), makes application for, *inter alia*:
 - a. If necessary, an Order abridging the time for service and validating service of this Notice of Application and the Application Record in the manner effected by the Applicant so that this Application is properly returnable the date of the hearing and dispensing with service thereof on any party other than the parties served;
 - b. an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, appointing msi Spergel Inc. as receiver and manager over all the property, assets, and undertakings of the Respondent substantially in the form attached hereto as Schedule “A”;
 - c. the costs of this Application; and
 - d. such further and other relief as to this Honourable Court may deem just.

THE GROUNDS FOR THE APPLICATION ARE:

Background

1. The Applicant is a credit union and carries on business in, *inter alia*, Hamilton, Ontario.
2. The Respondent, 2444877 Ontario Inc. (the “**Borrower**”), is an Ontario corporation with a registered office in London, Ontario. The Borrower is the registered owner of the property municipally known as 212 Main Street West, Palmerston, Ontario (the “**Property**”).
3. Gurmit Singh (“**Singh**”) is an individual residing in London, Ontario, and is the director of the Borrower and guarantor of the Borrower’s obligations to Meridian.

The Loan

4. Pursuant to a Credit Agreement dated December 13, 2023, and accepted on or about March 7, 2024 (the “**Credit Agreement**”), Meridian agreed to provide the Borrower a non-revolving loan in the amount of \$2,551,500.00, with interest to accrue at Meridian’s prime rate of interest in effect from time to time (the “**Prime Rate**”) plus 1.65% per annum (the “**Loan**”).
5. The purpose of the Loan was to pay-out the following two private mortgages that were registered on title to the Property:
 - a. a mortgage in favour of 2165418 Ontario Limited, which was originally registered in favour of David Moniz as Instrument No. WC674717 on June 1, 2022, but then transferred to 2165418 Ontario Limited under a Transfer of Charge registered as Instrument No. WC692569 on December 15, 2022; and
 - b. a mortgage in favour of 2654231 Ontario Inc., which was registered as Instrument No. WC725256 on March 20, 2024.
6. The Loan was further used to pay-out property taxes for the Property which, as of May 14, 2024, had a balance of \$54,506.77 outstanding relating to property tax arrears.
7. The Loan was fully advanced to the Borrower on June 18, 2024, pursuant to the terms of the Credit Agreement.

Security

8. The Borrower’s indebtedness to Meridian with respect to the Loan pursuant to the Credit Agreement is secured by, among other things, the following:
 - (a) a first-ranking Collateral Mortgage/Charge granted by the Borrower in favour of Meridian in the principal sum of \$2,511,500.00 registered against title to the Property on June 18, 2024, as Instrument No. WC732223 (the “**Mortgage**”);
 - (b) a Notice of Assignment of Rents granted by the Borrower in favour of Meridian registered against title to the Property on June 18, 2024, as Instrument No.

WC732224 providing notice of a General Assignment of Lease and Rents dated March 7, 2024 granted by the Borrower in favour of Meridian;

- (c) an unlimited personal guarantee from Singh; and
- (d) a general security agreement dated March 7, 2024, by which the Borrower granted to Meridian a security interest in any and all assets of the Borrower, including, without limitation all personal property, accounts receivable, inventory, equipment, goodwill and intangibles, wherever located including those assets located at the Property (the “GSA”).

9. Among other rights and remedies, both the Mortgage and the GSA provide for the appointment of a receiver in the event of default of the Borrower’s obligations to Meridian.

Default and Demands

10. In or around October 2024, the Respondent was in default of its obligations to Meridian, as follows:

- (a) since the Loan was advanced to the Borrower on June 18, 2024, the Borrower had made only one (1) monthly payment toward the Loan on August 7, 2024 and, by October 18, 2024, the Loan was three (3) months in arrears;
- (b) the Borrower has again failed to pay property taxes for the Property when due such that as of November 18, 2024, there is a balance of \$6,219.51 outstanding relating to property tax arrears;
- (c) the Borrower permitted a charge in the principal amount of \$350,492.00 in favour of 2654231 Ontario Inc. to be registered against the Property, contrary to the terms of the Credit Agreement;
- (d) the Borrower, at the time of the Loan advance, represented to Meridian that the Property was fully tenanted, but Meridian has since become aware that there are only two tenants remaining at the Property (one out of four commercial units is tenanted, and one out of seven residential units is tenanted); and

- (e) the condition of the Property is in contravention of numerous sections of the Town of Minto's Property Standards By-Laws.

11. As at October 14, 2024, the Borrower was indebted to Meridian with respect to the Loan in the amount of \$2,616,578.99, with interest continuing to accrue at the applicable rate (the "**Indebtedness**").

12. Due to the ongoing default of the Borrower, on October 25, 2024, Meridian, through its counsel, made demand upon the Borrower and Singh pursuant to their respective obligations under the Credit Agreement and security. Meridian declared the entire amount of the Indebtedness owing under the Loan to be immediately due and payable, and enclosed Notices of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (the "**Demands**").

13. The Borrower subsequently failed to make the November 18, 2024 payment on the Loan. No further payment has been received by Meridian.

It is Just and Convenient to Appoint a Receiver

14. The Borrower has been and continues to be unable to service its commitments to Meridian under the Credit Agreement and is in default of its payment obligations along with other obligations with respect to the Loan and Credit Agreement.

15. The Mortgage and the GSA each expressly provide for the appointment of a receiver or receiver and manager in the event of default.

16. Meridian has lost confidence in the ability of the Borrower and its principal to repay their respective commitments or to operate the business.

17. It is just and convenient in the circumstances to appoint a receiver of the properties, assets, and undertakings of the Borrower, with a power to market and sell the Property and the business of the Borrower, for the benefit of Meridian and the other stakeholders of the Borrower. This will also provide all stakeholders with an orderly, transparent, and court-supervised sale process, conducted by an even-handed officer of the court, in order to maximize return for all stakeholders.

18. Meridian proposes that msi Spergel Inc. be appointed as the receiver and manager.

19. Msi Spergel Inc. has agreed to act as receiver.
20. As contained in the Affidavit of Ramune Beattie and the exhibits annexed thereto.
21. Meridian relies on section 243 of the *Bankruptcy and Insolvency Act*, sections 63, 64 and 65 of the *Personal Property Security Act*, sections 96, 97, 100 and 101 of the *Courts of Justice Act* and Rules 1, 3, 16, 38, 39, 40, 41 and 44 of the *Rules of Civil Procedure*.
22. Such further and other grounds counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING FOR THE APPLICATION:

1. The Affidavit of Ramune Beattie and exhibits annexed thereto;
2. The Consent of Msi Spergel Inc. to act as Receiver; and
3. Such further and other material as counsel may produce and this Honourable court may accept.

Date: November 19, 2024

SPETTER ZEITZ KLAIMAN PC
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Lawyers for the Applicant

SCHEDULE "A"

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE) FRIDAY, THE 13th
)
JUSTICE) DAY OF DECEMBER, 2024

MERIDIAN CREDIT UNION LIMITED

Applicant

- and -

2444877 ONTARIO INC.

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MSI SPERGEL INC. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondent, 2444877 ONTARIO INC., (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 80 Dundas Street, London, Ontario.

ON READING the affidavit of Ramune Beattie sworn [DATE] and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of msi Spergel Inc. to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated 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, MSI SPERGEL INC. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property"), and including, without limitation, the property municipally known as 212 Main Street West, Palmerston, Ontario, and legally described in Schedule "B" (the "**Real 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 \$200,000.00, provided that the aggregate consideration for all such transactions does not exceed \$200,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, 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, including, without limitation, the Real Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in

that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** any and all financial institutions, banks, and their affiliates, shall produce to the Receiver any and all Records, banking documents related to the Debtor, any transaction supporting document and any of the Debtor's records in its possession or control, having regard to the limitations of the financial institutions' retention and storage policies and practices, notwithstanding that any disclosure may include "personal property" about third parties as defined in the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended.

8. **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

9. **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

10. **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

11. **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

12. **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

13. **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

14. **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

15. **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 AND CASL

16. **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.

17. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements

within the meaning of cause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. **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

19. **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

20. **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.

21. **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 Ontario Superior Court of Justice.

22. **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

23. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. **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.

25. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

26. **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

27. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'.

28. **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

29. **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.

30. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

31. **THIS COURT ORDERS** that the Receiver is authorized but not required to retain the same law firm to act as legal counsel as the Applicant, to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order, in any matter where there is no conflict arising from that firm's existing and ongoing role as counsel to the Applicant. In respect of any issue where a conflict may exist or arise in respect of the Applicant and the Receiver or a third party, the Receiver shall utilize independent counsel, in which case, the law firm may continue acting as counsel to the Applicant.

32. **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.

33. **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.

34. **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.

35. **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.

36. **THIS COURT ORDERS** that, notwithstanding Rule 59.05 of the *Rules of Civil Procedure*, this Order is effective from the date it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellant court in respect of this Order.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MSI SPERGEL INC., the receiver (the "**Receiver**") of the assets, undertakings and properties of 2444877 ONTARIO INC. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the ___ day of _____, 20__ (the "**Order**") made in an action having Court file number CV-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

MSI SPERGEL INC., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

**LEGAL DESCRIPTION OF THE PARCEL OF THE PROPERTY MUNICIPALLY
KNOWN AS 212 MAIN STREET WEST, PALMERSTON, ONTARIO**

PT LT 2 S/S MAIN ST MORISON'S SURVEY PALMERSTON; PT LT 3 S/S MAIN ST
MORISON'S SURVEY PALMERSTON AS IN RO684393 EXCEPT T/W THEREIN; MINTO

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

MERIDIAN CREDIT UNION LIMITED
Applicant

-and-

2444877 ONTARIO INC.
Respondent

Court File No.: CV-24-00003695-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
LONDON

ORDER

SPETTER ZEITZ KLAIMAN PC
Barristers & Solicitors
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IAN KLAIMAN
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Lawyers for the Applicant

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

MERIDIAN CREDIT UNION LIMITED
Applicant

-and-

2444877 ONTARIO INC.
Respondent

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
LONDON

NOTICE OF APPLICATION

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Lawyers for the Applicant

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

MERIDIAN CREDIT UNION LIMITED

Applicant

-and-

2444877 ONTARIO INC.

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***

AFFIDAVIT OF RAMUNE BEATTIE

**I, RAMUNE BEATTIE, of the City of Guelph, in the Province of Ontario, MAKE OATH
AND SAY AS FOLLOWS:**

1. I am a Commercial Credit Specialist with Meridian Credit Union Limited (sometimes referred to as “**Meridian**”) and the individual responsible for managing the loan of 2444877 Ontario Inc. (the “**Borrower**”) and the security provided by Gurmit Singh (“**Singh**”, and collectively with the Borrower referred to as “**Debtors**”). As such, I have knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge, I have indicated my source of information and do verily believe such information to be true. Where correspondence is adopted as an exhibit, I do verily believe it was sent and received on the date(s) indicated.
2. This Affidavit is sworn in support of an application by Meridian for the appointment of msi Spergel Inc. as receiver for the properties, assets, and undertakings of the Borrower.

Background

3. The Borrower is an Ontario business corporation that has its registered head office located in London, Ontario. Attached hereto as **EXHIBIT “A”** is a true copy of the Corporation Profile Report obtained from the Ministry of Government Services (Ontario) for the Borrower dated October 3, 2024, which lists Singh as its officer and director.

4. The Borrower is the registered owner of the property municipally known as 212 Main Street West, Palmerston, Ontario (the “**Property**”). Attached hereto as **EXHIBIT “B”** is a true copy of the abstract of title for the Property.

5. Singh is an individual residing in London, Ontario, and is the officer and the director of the Borrower and guarantor of the Borrower’s obligations to Meridian.

The Loan

6. Pursuant to the Credit Agreement dated December 13, 2023, and accepted on or about March 7, 2024 (the “**Credit Agreement**”), a true copy of which is attached hereto as **EXHIBIT “C”**, Meridian agreed to provide the Borrower a non-revolving loan in the amount of \$2,511,500.00, with interest to accrue at Meridian’s prime rate of interest in effect from time to time (the “**Prime Rate**”) plus 1.65% per annum (the “**Loan**”).

7. Paragraph 14 of Schedule “A” of the Credit Agreement provides Meridian with the right to appoint a receiver/manager upon default of its terms.

8. The purpose of the Loan was to pay-out two then-existing private mortgages on title to the Property as follows:

- a. a mortgage in favour of 2165418 Ontario Limited (the “**216 Mortgage**”), which was originally registered in favour of David Moniz as Instrument No. WC674717 on June 1, 2022, but then transferred to 2165418 Ontario Limited under a Transfer of Charge registered as Instrument No. WC692569 on December 15, 2022; and
- b. a mortgage in favour of 2654231 Ontario Inc. (the “**Old 265 Mortgage**”), which was registered as Instrument No. WC725256 on March 20, 2024.

Both of the said Instruments are indicated on the abstract of title for the Property previously attached hereto as Exhibit “B”. A true copy of the registered Discharge of Charge for the 216 Mortgage is attached hereto as **EXHIBIT “D”**. A true copy of the registered Discharge of Charge for the Old 265 Mortgage is attached hereto as **EXHIBIT “E”**.

9. The Loan was further used to pay-out property taxes for the Property. As of May 14, 2024, the balance of outstanding property tax arrears was \$54,506.77. Attached hereto as **EXHIBIT “F”** is a true copy of the Tax Certificate for the Property dated May 14, 2024, from the Town of Minto. By June 18, 2024, when the Loan was advanced, a total of \$60,995.26 was paid to bring current the property taxes on the Property. Attached hereto as **EXHIBIT “G”** is a true copy of the receipt from the Town of Minto for payment of property taxes dated June 24, 2024.

10. Pursuant to the terms of the Credit Agreement, the Loan was fully advanced to the Borrower on June 18, 2024.

The Security

11. The Borrower’s indebtedness to Meridian with respect to the Loan is secured by, among other things, the following:

- (a) a first-ranking Collateral Mortgage/Charge granted by the Borrower in favour of Meridian in the principal sum of \$2,511,500.00 registered against title to the Property on June 18, 2024, as Instrument No. WC732223 (the “**Mortgage**”), a true copy of which is attached hereto as **EXHIBIT “H”**;
- (b) a Notice of Assignment of Rents granted by the Borrower in favour of Meridian registered against title to the Property on June 18, 2024, as Instrument No. WC732224, a true copy of which is attached hereto as **EXHIBIT “I”**, providing notice of a General Assignment of Lease and Rents dated March 7, 2024 granted by the Borrower in favour of Meridian;
- (c) an unlimited personal guarantee from Singh, a true copy of which is attached hereto as **EXHIBIT “J”**; and
- (d) a general security agreement dated March 7, 2024, by which the Borrower granted

to Meridian a security interest in any and all assets of the Borrower, including, without limitation all personal property, accounts receivable, inventory, equipment, goodwill and intangibles, wherever located including those assets located at the Property (the “GSA”), a true copy of which is attached hereto as **EXHIBIT “K”**.

12. Meridian perfected its security interest contained in the GSA in the Province of Ontario by registering a financing statement in the Personal Property Registry pursuant to the *Personal Property Security Act* on March 4, 2024, with a collateral classification of inventory, equipment, accounts, other and motor vehicle included. Attached hereto as **EXHIBIT “L”** is a Ministry of Government Services Personal Property Security Registration System Enquiry Result for the Borrower dated October 3, 2024.

13. Among other rights and remedies, both the Mortgage and the GSA provide for the appointment of a receiver in the event of default of the Borrower’s obligations to Meridian:

- (a) Schedule “B” to the Mortgage states that “when there shall be default under the provisions of these presents the chargee [Meridian] may at such time and from time to time and with or without entry into possession of the charged premises [the Property] or any part thereof by writing under its corporate seal appoint a receiver of the charged premises or any part thereof and of the rents and profits thereof and with or without security”; and
- (b) Paragraph 11(a) of the GSA states that “[u]pon any default under this General Security Agreement, the Lender [Meridian] may ... enforce its rights ... by the appointment ...of a receiver or receivers of all or any part of the Collateral”.

Other Creditors

14. In reviewing the PPSA search referenced in paragraph 12 above for the Borrower, I note that Meridian is the only party with a registered security interest.

15. Based on the abstract of title for the Property previously attached hereto as Exhibit “2”, I note that the following registrations have been registered on title to the Property:

- (a) an Application to Change Name-Owners dated December 4, 2019, as Instrument No. WC586677;
- (b) a Charge registered in favour of Meridian Credit Union Limited in the amount of \$2,511,500.00 on June 18, 2024, as Instrument No. WC732223, being the Mortgage;
- (c) a Notice of Assignment of Rents registered in favour of Meridian Credit Union Limited on June 18, 2024, as Instrument No. WC732224;
- (d) a Charge registered in favour of 2654231 Ontario Inc. in the amount of \$350,492.00 dated June 24, 2024, as Instrument No. WC732726 (the “**New 265 Mortgage**”), a true copy of which is attached hereto as **EXHIBIT “M”**.

16. Based on an Execution Certificate obtained on November 18, 2024, for the Borrower in the County of Wellington (Guelph), being Land Registry Office (“**LRO**”) No. 61, which is where the Property is located, there are no executions filed in this LRO against the Borrower. Attached hereto as **EXHIBIT “N”** is a copy of the Execution Certificate.

17. There are currently property tax arrears owing on the Property in the amount of \$6,219.51. A true copy of the Tax Certificate for the Property dated November 18, 2024, received from the Town of Minto is attached hereto as **EXHIBIT “O”**. I understand that the property tax arrears take priority to Meridian’s Mortgage, erode the equity in the Property, and diminish Meridian’s security.

18. Other than what is set out below, I do not know what amounts are owing to other creditors, including other government priority claims.

Default and Demands

19. In or around October 2024, the Borrower was in default of its obligations to Meridian, as follows:

- (a) pursuant to a payment history for the Loan attached hereto as **EXHIBIT “P”**, since the Loan was advanced to the Borrower on June 18, 2024, the Borrower has made

only one (1) monthly payment on the Loan on August 7, 2024, and by October 18, 2024, the Loan was three (3) months in arrears;

- (b) the Borrower has again failed to pay property taxes for the Property, such that as of November 18, 2024, there was a balance of \$6,219.51 outstanding relating to property tax arrears, pursuant to the Tax Certificate for the Property previously attached hereto as Exhibit “15”;
- (c) the Borrower permitted the New 265 Mortgage to be registered on title to the Property, contrary to the terms of the Credit Agreement;
- (d) the Borrower, at the time of the Loan advance, represented to Meridian that the Property was fully tenanted by providing to Meridian the Lease Agreements for residential Units 1-7 and commercial Units A-D at the Property, but Meridian has since become aware that there are only two tenants remaining at the Property (one out of the four commercial units is tenanted, and one out of the seven residential units is tenanted) based on emails between Singh and I on October 17, 2024, October 21, 2024, and October 22, 2024, which are attached hereto as **EXHIBIT “Q”**; and
- (e) pursuant to an Order to Comply addressed to the Borrower from the Town of Minto attached hereto as **EXHIBIT “R”**, the condition of the Property is in contravention of numerous sections of the Town of Minto’s Property Standards By-Laws.

20. When Meridian advanced the Loan to the Borrower to pay-out the 216 Mortgage and the Old 265 Mortgage, Meridian understood that 2654231 Ontario Inc. was accepting a \$40,000.00 pay-down and deferring the remaining \$363,983.49 of its debt to a charge registered in its favour on a property at 109-113 Inkerman Street, St. Thomas, Ontario, pursuant to a payout statement for the Old 265 Mortgage dated June 18, 2024 and attached hereto as **EXHIBIT “S”**. Meridian was therefore unaware that the New 265 Mortgage was registered on title to the Property, as it was not part of the Credit Agreement.

21. Paragraph 8(b)(i) of Schedule “A” of the Credit Agreement states that the Borrower shall not “grant or allow any lien, charge, privilege, hypothec or other encumbrance ... to be registered against or exist on any of its assets”.

22. Paragraph 8(c) of Schedule “A” of the Credit Agreement states that the Borrower must keep scheduled property tax payments up to date at all times.

23. Paragraph 13 of Schedule “A” of the Credit Agreement states that an “Event of Default” occurs when, *inter alia*,

(a) the Borrower fails to make a payment of interest or principal when due on the Loan;

(b) there is a breach by the Borrower of any other term, covenant, or condition contained in the Credit Agreement; and

(c) any default occurs under any Security Document or under any other Financing Document, as defined in the Credit Agreement.

24. As at October 14, 2024, the Borrower was indebted to Meridian with respect to the Loan in the amount of \$2,616,578.99, with interest continuing to accrue at the applicable rate (the “**Indebtedness**”). Attached hereto as **EXHIBIT “T”** is a true copy of the payout statement from Meridian dated October 14, 2024.

25. Due to the ongoing default of the Borrower, on October 25, 2024, Meridian, through its counsel, made demand upon the Borrower and Singh pursuant to their respective obligations under the Credit Agreement and security. Meridian declared the entire amount of the Indebtedness owing under the Loan to be immediately due and payable, and enclosed Notices of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (the “**Demands**”). Attached hereto collectively as **EXHIBIT “U”** are copies of the Demands.

26. The Borrower subsequently failed to make the November 18, 2024 payment on the Loan. No further payment has been received by Meridian.

It is Just and Convenient to Appoint a Receiver

27. The Borrower has been and continues to be unable to service its commitments to Meridian under the Credit Agreement and is in default of its payment obligations along with other obligations with respect to the Loan and Credit Agreement.


28. The Mortgage and the GSA each expressly provide for the appointment of a receiver or receiver and manager in the event of default.

29. Meridian has lost confidence in the ability of the Borrower or Singh to repay their respective commitments or to operate the business.

30. It is just and convenient in the circumstances to appoint a receiver of the properties, assets, and undertakings of the Borrower, with a power to market and sell the Property and the business of the Borrower, for the benefit of Meridian and the other stakeholders of the Borrower. This will also provide all stakeholders with an orderly, transparent, and court-supervised sale process, conducted by an even-handed officer of the court, in order to maximize return for all stakeholders.

31. Meridian proposes that msi Spergel Inc. be appointed as the receiver and manager. Msi Spergel Inc. has agreed to accept the appointment, a true copy of its consent is attached hereto as **EXHIBIT “V”**.

32. This Affidavit is sworn in support of the Meridian’s application to appoint a Receiver and for no other or improper purpose.

SWORN BEFORE ME)
by video conference from the City of)
Guelph in the County of Wellington, to)
the Town of Innisfil, in the Province of)
Ontario, this 2 day of December, 2024.)
)
)
_____)
A Commissioner for Taking Affidavits)
*Virtually commissioned by Tiegán Kilbride, LSO No.)
P17363, as per LSO corporate statement re COVID-19)
)



RAMUNE BEATTIE

This is **Exhibit "A"** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19



Profile Report

2444877 ONTARIO INC. as of October 03, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2444877 ONTARIO INC.
Ontario Corporation Number (OCN)	2444877
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	December 05, 2014
Registered or Head Office Address	1828 Blue Heron Drive, 35, London, Ontario, N6H 0B7, 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.

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 1

Name GURMIT SINGH
Address for Service 1828 Blue Heron Drive, 35, London, Ontario, N6H 0B7,
Canada
Resident Canadian Yes
Date Began December 05, 2014

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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Active Officer(s)

Name

GURMIT SINGH

Position

President

Address for Service

1828 Blue Heron Drive, 35, London, Ontario, N6H 0B7,
Canada

Date Began

December 05, 2014

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

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Corporate Name History

Name

2444877 ONTARIO INC.

Effective Date

December 05, 2014

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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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.

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: Gurmit SINGH	May 20, 2022
Annual Return - 2019 PAF: GURMIT SINGH - DIRECTOR	November 03, 2019
Annual Return - 2018 PAF: GURMIT SINGH - DIRECTOR	October 20, 2019
Annual Return - 2017 PAF: GURMIT SINGH - DIRECTOR	January 06, 2019
CIA - Notice of Change PAF: GURMIT SINGH - DIRECTOR	April 16, 2018
Annual Return - 2016 PAF: GURMIT SINGH - DIRECTOR	August 23, 2017
Annual Return - 2015 PAF: GURMIT SINGH - DIRECTOR	June 26, 2016
CIA - Initial Return PAF: GURMIT SINGH - DIRECTOR	January 21, 2016
CIA - Initial Return PAF: GURMIT SINGH - DIRECTOR	January 13, 2016
BCA - Articles of Incorporation	December 05, 2014

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

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

V. Quintanilla W.

Director/Registrar

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This is **Exhibit “B”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

LAND
REGISTRY
OFFICE #61

71035-0041 (LT)

PAGE 1 OF 5
PREPARED FOR gnanou01
ON 2024/10/10 AT 10:37:58

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

PROPERTY DESCRIPTION: PT LT 2 S/S MAIN ST MORISON'S SURVEY PALMERSTON; PT LT 3 S/S MAIN ST MORISON'S SURVEY PALMERSTON AS IN RO684393 EXCEPT T/W THEREIN; MINTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

RE-ENTRY FROM 71035-0217

PIN CREATION DATE:

2000/03/24

OWNERS' NAMES

2444877 ONTARIO INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/12/15 ON THIS PIN**</p> <p>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 2000/03/24**</p> <p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/03/24 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 2000/03/27 **</p>						
DN8230	1966/07/18	LEASE		*** COMPLETELY DELETED ***	LEARY, KENNETH H.	
		REMARKS: DELETED UNDER WC453202. 2016/08/17 NK				
DN9391	1967/01/17	ASSIGNMENT LEASE		*** COMPLETELY DELETED ***	KINROSS MORTGAGE CORPORATION	
		REMARKS: FN8230 DELETED UNDER WC453202. 2016/08/17 NK				
DN20908	1970/12/08	CHARGE		*** COMPLETELY DELETED ***	VICTORIA AND GREY TRUST COMPANY	
		REMARKS: DELETED UNDER WC453202. 2016/08/17 NK				
DN34069	1974/04/02	ASSIGNMENT LEASE		*** COMPLETELY DELETED ***	MARK, GEE MARK, SUN COB	

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
					G & S MARK REALTY COMPANY	
DN43342	1976/07/27	NOTICE OF LEASE		*** COMPLETELY DELETED ***		
					THE BECKER MILK COMPANY LIMITED	
RON57436	1980/02/11	AGREEMENT		*** COMPLETELY DELETED ***		
RON91372	1989/02/23	CHARGE		*** COMPLETELY DELETED ***		
					GUARDIAN TRUST COMPANY	
RO684392	1992/12/15	CHARGE		*** COMPLETELY DELETED ***		
					RASIAH, AHALYA	
RO684393	1992/12/15	TRANSFER		*** DELETED AGAINST THIS PROPERTY ***		
					RASIAH, PUSHPAMANY RAMESH, GANESALINGAM	
RO712824	1994/05/06	ASSIGNMENT GENERAL		*** COMPLETELY DELETED ***		
RO716856	1994/07/12	AGR AM CH		*** COMPLETELY DELETED ***		
RO716857	1994/07/12	ASSIGNMENT GENERAL		*** COMPLETELY DELETED ***		
WC234541	2009/01/07	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
					DASS, TRIPTA PRABHA	
WC259438	2009/10/13	CERTIFICATE		*** COMPLETELY DELETED ***		
					THE CORPORATION OF THE TOWN OF MINTO	
WC293255	2010/10/08	APL (GENERAL)		*** COMPLETELY DELETED ***		
					THE CORPORATION OF THE TOWN OF MINTO	
WC412044	2014/08/26	CERTIFICATE		*** COMPLETELY DELETED ***		
					THE CORPORATION OF THE TOWN OF MINTO	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
WC416403	2014/10/14	DISCH OF CHARGE		*** COMPLETELY DELETED *** LAURENTIAN BANK OF CANADA		
	REMARKS: RON91372.					
WC453202	2015/11/24	TRANSFER	\$48,408	THE CORPORATION OF THE TOWN OF MINTO	2444877 ONT. INC. <i>see logs</i>	C
	REMARKS: TAX DEED					
WC472874	2016/06/27	CHARGE		*** COMPLETELY DELETED *** 2444877 ONT. INC.		
WC478378	2016/08/17	CHARGE		*** COMPLETELY DELETED *** 2444877 ONT. INC.		
WC480690	2016/09/07	CHARGE		*** COMPLETELY DELETED *** 2444877 ONT. INC.		
WC533721	2018/03/23	CHARGE		*** COMPLETELY DELETED *** 2444877 ONT. INC.		
WC533722	2018/03/23	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2444877 ONT. INC.		
	REMARKS: WC533721					
WC533804	2018/03/26	DISCH OF CHARGE		*** COMPLETELY DELETED *** COULTER, ALAN		
	REMARKS: WC478378.					
WC533806	2018/03/26	DISCH OF CHARGE		*** COMPLETELY DELETED *** KAPUSNIAK SOFTWARE CONSULTANT LTD.		
	REMARKS: WC472874.					
WC533812	2018/03/26	POSTPONEMENT		*** COMPLETELY DELETED *** 2410542 ONTARIO INC.		
	REMARKS: WC480690 TO WC533721					
WC586677	2019/12/04	APL CH NAME OWNER		2444877 ONT. INC.	2444877 ONTARIO INC. <i>see logs</i>	C
WC586689	2019/12/04	CHARGE		*** COMPLETELY DELETED *** 2444877 ONTARIO INC.		
WC586819	2019/12/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2410542 ONTARIO INC.		
	REMARKS: WC480690.					

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
WC586849	2019/12/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** KARD PROPERTIES LTD.		
	REMARKS: WC533721.					
WC594519	2020/03/10	CHARGE		*** COMPLETELY DELETED *** 2444877 ONTARIO INC.	EMANUEL HOLDINGS INC. KANELLIS, CONSTANTINOS	
WC594520	2020/03/10	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2444877 ONTARIO INC.	EMANUEL HOLDINGS INC. KANELLIS, CONSTANTINOS	
	REMARKS: WC594519.					
WC665250	2022/03/02	DISCH OF CHARGE		*** COMPLETELY DELETED *** EMANUEL HOLDINGS INC. KANELLIS, CONSTANTINOS		
	REMARKS: WC594519.					
WC674717	2022/06/01	CHARGE		*** COMPLETELY DELETED *** 2444877 ONTARIO INC.	MONIZ, DAVID	
WC674718	2022/06/01	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2444877 ONTARIO INC.	MONIZ, DAVID	
	REMARKS: WC674717.					
WC692569	2022/12/15	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** MONIZ, DAVID	2165418 ONTARIO LIMITED	
	REMARKS: WC674717.					
WC711247	2023/08/30	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** MONIZ, DAVID	2165418 ONTARIO LIMITED	
	REMARKS: WC674717					
WC711425	2023/08/31	NOTICE		*** COMPLETELY DELETED *** 2444877 ONTARIO INC.	2165418 ONTARIO LIMITED	
	REMARKS: WC674717					
WC712265	2023/09/12	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
	REMARKS: WC586689.					
WC725256	2024/03/20	CHARGE		*** COMPLETELY DELETED *** 2444877 ONTARIO INC.	2654231 ONTARIO INC.	

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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
WC732223	2024/06/18	CHARGE	\$2,511,500	2444877 ONTARIO INC.	MERIDIAN CREDIT UNION LIMITED <i>see copy</i>	C
WC732224	2024/06/18	NO ASSGN RENT GEN REMARKS: WC732223		2444877 ONTARIO INC.	MERIDIAN CREDIT UNION LIMITED <i>see copy</i>	C
WC732288	2024/06/19	DISCH OF CHARGE REMARKS: WC725256.		*** COMPLETELY DELETED *** 2654231 ONTARIO INC.		
WC732290	2024/06/19	DISCH OF CHARGE REMARKS: WC674717.		*** COMPLETELY DELETED *** 2165418 ONTARIO LIMITED		
WC732726	2024/06/24	CHARGE	\$350,492	2444877 ONTARIO INC.	2654231 ONTARIO INC. <i>see copy</i>	C

This is **Exhibit “C”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegan Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

Business Banking Centre - Guelph
 200 Speedvale Avenue West
 Guelph, ON
 N1H 6N3
 MeridianCU.ca



December 13, 2023

2444877 Ontario Inc.
 2657 Torrey Pines Way
 London, Ontario
 N6H0K5

Attention Mr. Gurmit Singh:

Re: Credit Agreement

On the basis of the financial and other information provided to us, Meridian Credit Union Limited ("**Meridian**") has authorized the following credit facilities ("**Credit Facilities**") on the terms and conditions set out below.

This agreement ("**Credit Agreement**") and the other Financing Documents constitute the entire agreement between you and us pertaining to the credit facilities and supersedes all prior correspondence, agreements, negotiations, discussions and understandings, whether written or oral. This Credit Agreement may not be amended except by an agreement in writing that makes express reference to this agreement and is signed by you and us.

The attached Schedule A is an integral part of this Credit Agreement. Capitalized terms used and not otherwise defined shall have the meanings set out in Schedule A.

BORROWER: 2444877 Ontario Inc. ("**Member**")

GUARANTOR(S): Gurmit Singh ("Individual Guarantor")
 (Individual Guarantor(s) and Corporate Guarantor(s), each a Guarantor and collectively, the "**Guarantors**")

CREDIT FACILITIES AND AUTHORIZED AMOUNTS:

1. Non Revolving Loan To a maximum of \$2,511,500

PURPOSE: 1. Non Revolving Loan To payout the private mortgage on the multi-use property located at 212 Main Street West, Palmerston, Ontario.

	Sources	Uses	
Meridian Facility	2,511,500	Payout Private Mortgage	2,511,500
Total	2,511,500		2,511,500

REPAYMENT: All Credit Facilities are available on a demand basis only and Meridian may terminate the Credit Facilities at any time. Any prepayment shall be subject to the provisions of Schedule A

1. Non Revolving Loan Payments to be calculated based on a maximum amortization period of 20 years from initial date of drawdown.

Floating Rate: Based on current Prime Rate, equal monthly payments of principal of \$10,465, plus interest commencing one month from date of drawdown.

Fixed Rate Option: Equal monthly blended payments of principal and interest commencing one month from date of drawdown.

The amount of the monthly payment will be advised in the Loan Confirmation Letter.

INTEREST RATES: Interest on the daily principal balance of the Credit Facilities shall be paid monthly in arrears, unless otherwise specified, computed daily, compounded monthly, and accrue at an annual rate equal to:

1. Non Revolving Loan Floating Rate Option: Prime Rate plus 1.65% per annum.

Fixed Rate Option: For indicative purposes only, the current "5 Year" all in fixed rate is 6.35% per annum.

The amount of the monthly payment will be advised in the Loan Confirmation Letter.
Meridian's Current Prime Rate is 7.20%.

CREDIT FEES:

- Annual Renewal Fee: An annual administration fee of \$350 is payable within 90 days following each fiscal year end for review of the account.
- Amendment Fee: Amendments to this Credit Agreement, as requested by the Member, will be subject to a minimum fee of \$250 per request, subject to the complexity and circumstances of each request as mutually agreed upon between the Member and Meridian.
- Additional Fees: Covenant Breaches/Late Reporting/Events of Default will each be subject to a minimum fee of \$250 per occurrence where such condition has not previously been approved by Meridian in writing.
- Arrangement Fee: \$6,500, of which \$6,500 has previously been collected and is non-refundable, is payable upon signed acceptance of this Credit Agreement.

EXPENSES: The Member shall pay all reasonable legal fees and disbursements in respect of this Credit Agreement, the preparation, issuance, amendment, renewal or extension of the Security Documents, the enforcement and preservation of Meridian's rights and remedies, and all reasonable fees and costs relating to appraisals, insurance consultation, credit reporting and responding to demands of any government or any agency or department thereof, whether or not the documentation is completed or any funds are advanced under this Credit Agreement

SECURITY: The present and future indebtedness and liability of the Member and the Guarantor(s) to Meridian shall be secured by the following security, evidenced by documents in form satisfactory to Meridian (collectively, the 'Security Documents') registered or recorded as required by Meridian in first position (unless specifically noted or consented to otherwise), and provided prior to any advances or availability being made under this Credit Agreement:

- 1) General Security Agreement registered in first position over all of the Member's present and after acquired Personal Property.
- 2) Collateral Mortgage for \$2,511,500 registered in first position in the name of 2444877 Ontario Inc. on the property and buildings located at 212 Main Street West, Palmerston, Ontario. Notwithstanding the face amount of the mortgage being registered as security, the Member acknowledges that Meridian has made no commitment to provide additional funding.
- 3) Assignment of Rents and Leases on the property and buildings located at 212 Main Street West Palmerston, Ontario.
- 4) Assignment of Fire Insurance, indicating Meridian as first loss payee or first mortgagee on the subject property and buildings located at 212 Main Street West Palmerston, Ontario. The fire insurance is to be on a full replacement basis with no cross liability.
- 5) Comprehensive General Liability Insurance for a minimum of \$2,000,000 to be carried by the Member with Meridian shown as Additional Insured.
- 6) Environmental Undertaking and Indemnity executed by the Member and Guarantors.
- 7) Guarantee and Postponement of Claim in favour of Meridian in the Unlimited amount provided by Gurmit Singh.

CONDITIONS: The availability of the Credit Facilities is contingent upon compliance and satisfaction of each of the following conditions and covenants together with those set out in the Security Documentation and Schedule A:

Conditions
Precedent:

Meridian shall have received each of the following:

- 1) Duly executed copy of this Credit Agreement.
- 2) All the Security Documents duly authorized, executed and delivered and registered or recorded as Meridian may require.
- 3) Such financial and other information or documents relating to the Member as Meridian may reasonably require.
- 4) Payment of the Arrangement Fee.

- 5) The receipt of a satisfactory building condition report with corresponding reliance letter from an engineering firm acceptable to Meridian.
- 6) Confirmation that property taxes are current through copy of a paid tax receipt or interim billing showing no arrears amount.
- 7) Letter of Transmittal from the Appraiser confirming the appraisal report may be relied upon by Meridian for the property located at 212 Main St W, Palmerston.
- 8) A survey prepared by a licensed and qualified surveyor, showing the building on the lot and certifying that the building is entirely within the lots lines and the lot is free from all encroachments, easements and registered restrictions. If a current survey is unavailable, title insurance is a requirement.
- 9) Completion of the Commercial Borrower Environmental Questionnaire.
- 10) Personal Financial Statements for the Individual Guarantor, with supporting documentation confirming asset & liability values and verifying income.
- 11) Receipt of satisfactory tenant estoppels executed by the commercial tenants.

Financial Covenants - The Member will throughout the term of the Credit Facilities:

Description	Performance Operator	Requirement	Reporting Frequency
1. Maintain a minimum Debt Service Ratio. Debt Service Ratio is defined as the ratio of earnings (excluding extraordinary items and gains/losses) before interest, taxes, depreciation and amortization (EBITDA) to the sum of (i) interest expense; (ii) scheduled payments of principal in respect of any debt and (iii) payments made pursuant to capital lease obligations (except the portion of any final balloon payment due in respect of such debt), all in respect of the latest fiscal year.	Greater Than or Equal to	1.25	Annual

Reporting Covenants - The Member shall provide Meridian with each of the following:

Description	Frequency	Timing of Receipt (days)
1. Financial Statements as at the Member's fiscal year end, prepared by a Chartered Professional Accountant on a Compilation Engagement basis.	Annual	120
2. Annual rent roll including details of tenants, lease terms (amounts, renewals, expiry) and arrears, if any, within 120 days of fiscal year end., certified by the Member, supported by copies of all new leases and amendments thereto.	Annual	120
3. Confirmation property taxes are current through copy of a paid tax receipt or interim billing showing no arrears.	Quarterly	30
4. Confirmation of valid insurance coverage as stipulated under Security through copy of certificate of renewal.	Annual	120
5. Updated Personal Financial Statements for the individual guarantors, as requested, with supporting documentation confirming asset and liability values and verifying income.	As Requested by Meridian	

Positive Covenants - The Member (and the Guarantors) will:

1. Maintain day-to-day banking with Meridian.
2. Promptly notify Meridian of any material issues impacting the secured property, residential vacancy in excess of 15% or amendments to the lease agreements with the residential or commercial tenants.

See Schedule "A" Credit Covenants (a)

Negative Covenants - The Member [and the Guarantor] shall not, without the prior written consent of Meridian:

1. Pay any distributions which would result in default of any condition of the credit agreement. Distributions is defined as payment of dividends, share redemptions, extension of loans receivable, or any other payment to shareholders outside of the normal course of business.
2. Sell or transfer the Property herein secured or effect any change in ownership of the Member.
3. Incur third party debt.

See Schedule "A" Credit Covenants (b)

EVENTS OF DEFAULT

See Schedule A.

Kindly indicate your acceptance of this Credit Agreement by signing and returning to us the enclosed duplicate of this letter by no later than January 12, 2024, at which point this letter and all agreements contained herein shall become null and void.

Yours truly,

MERIDIAN CREDIT UNION LIMITED

Marie Furfaro

Marie Furfaro
Relationship Manager



David Hallman
Director

Will the above Credit Facilities be used on behalf of or by a third party? No Yes
(if Yes has been checked please ensure that a New Product Form – Business is completed)



ACKNOWLEDGEMENT:

The arrangements set out above are hereby acknowledged and accepted by:

2444877 Ontario Inc.



Signature of Authorized Officer
(I have the authority to bind the Corporation)

Gurmit Singh
Name/Title
President
March 07/24
Date


Signature of Authorized Officer
(I have the authority to bind the Corporation)

GURMIT SINGH
Name/Title
President
Jan / 7 / 24
Date

GUARANTORS

Each of the Guarantors hereby acknowledges and confirms that it understands all the terms & conditions contained therein with respect to its respective Guarantee and Postponement of Claim.

Gurmit Singh


Guarantor Signature

March 07/24
Date

SCHEDULE "A" TO CREDIT AGREEMENT

The Credit Facilities as described in the Credit Agreement shall be governed by the following terms and conditions:

Definitions

For the purpose of the Credit Agreement, the following terms shall have the meanings indicated below:

"Acceptable Inventory" means the lower of cost or net realizable value, as determined by Meridian from a review of the most recent financial statements and inventory declaration provided by the Member, of all materials owned by the Member for resale or for production of goods for resale, as defined by GAAP, over which the security constituted by the Security Documents shall rank as a valid first mortgage, first ranking transfer or first security interest and which is not subject to any security interest or other encumbrance or any other right or claim which ranks or is capable of ranking in priority to the security constituted by the Security Documents including, without limitation, rights of unpaid suppliers under the *Bankruptcy and Insolvency Act* (Canada) to repossess inventory within thirty (30) days after delivery.

"Acceptable Receivables" means the aggregate of accounts receivable of the Member, as defined by GAAP, and as determined by the most recent financial statements and/or aged list of accounts receivable of the Member, over which the security constituted by the Security Documents shall rank as a valid first assignment or first security interest, from customers approved by Meridian.

"Business Day" means a day upon which Meridian is open for business.

"COF Rate" means the fixed annual rate of interest established and recorded as such by Meridian from time to time as being the aggregate cost of the requested funds on an annual fixed rate basis for a period of 30, 60, 90, or 180 days or 1, 2, 3, 4, 5 or greater than 5 years, as selected by the Member (but maturing not later than the final date for payment of the subject Loan, in any event), including dealer commissions and such reserves as are applicable.

"Credit Agreement" means the letter from Meridian to the Member to which this Schedule is attached, together with this Schedule, and includes all amendments and replacements thereof.

"Environmental Disclosure Reports" means any and all reports, assessments, studies and tests with regard to any Hazardous Substances that have been Released, discharged or disposed of on, in, under or adjacent to the Property, including, without limitation, sample data and historical use reviews relating to the environmental condition of the Property and properties adjacent thereto.

"Environmental Laws" means any and all federal, provincial, municipal, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, licenses, agreements or other governmental restrictions having the force of law and any amendments thereto relating to the environment, land use, occupational health and safety, health protection or environmental conditions relating to Hazardous Substance.

"Financing Documents" means the present Credit Agreement, the Visa Business Card Agreement, the Visa Business Card Fee and Rate Agreement, the Security Documents and all other documents, instruments, certificates and contracts that the Member or an officer of the Member [or a Guarantor or an officer of a Guarantor] has signed and delivered in accordance herewith, directly or indirectly, or which are mentioned or contemplated in these presents or in such documents, instruments, certificates or contracts.

"GAAP" means, generally accepted accounting principles in effect in Canada from time to time applied consistently, including the International Financial Reporting Standards.

"Government Authority" means any government legislature, regulatory authority, agency, commission, board or court or other law, regulation or rule making entity having or purporting to have jurisdiction on behalf of any nation, state, country or other subdivision.

"Hazardous Substance(s)" means any pollutant or contaminant or hazardous, dangerous, regulated or toxic chemical, material or substance in such form and amount as is defined as "hazardous", "toxic" or "dangerous" within the meaning of any Environmental Laws and any amendments thereto, relating to or imposing liability or standards of conduct concerning any such hazardous, toxic substances and vapors, radioactive substances, liquid or industrial waste, Release, pollutants or dangerous waste, including without limitation, any substance or material that is actually, or allegedly to be, harmful to human life, animal life, or vegetation or any other portion of the environment.

"Legal Requirement" means all laws, statutes, codes, ordinances, orders, awards, judgments, decrees, injunctions, rules, regulations, authorizations, consents, approvals, orders, permits, franchises, licenses, directions and requirements of any Governmental Authority.

"Loan Confirmation Letter" means a letter issued by Meridian to confirm the particulars of a given loan, including, *inter alia*, the interest rate and monthly payment obligations.

"Personal Property" has the meaning given to that term in the Personal Property Security Act (Ontario) and includes chattel paper, documents of title, goods, instruments, intangibles, money, investment property and fixtures but does not include building materials that have been affixed to real property.

"Potential Preferred Claims" means, at any time and from time to time, all claims secured by a lien created by or arising under statute or regulation or arising under common law without the explicit consent of the obligor, which rank or are capable of ranking prior to or *pari passu* with the security constituted by the Security Documents against all or any part of property and assets secured thereby, whether then existing or, in Meridian's sole judgment, likely to arise including, without limitation, claims on amount of unremitted source deductions, income tax, goods and services tax, sales tax, workers compensation premiums, director liabilities and such other claims given priority to the claims of secured creditors or excluded from the property of a bankrupt divisible among creditors under the *Bankruptcy and Insolvency Act* (Canada).

"Prime Rate" means the floating annual rate of interest established and recorded as such by Meridian from time to time as a reference rate for purposes of determining rates of interest it will charge on loans denominated in Canadian dollars.

"Property" for the purpose of this Schedule "A" means any and all real properties secured by a registered charge/mortgage of land in favour of Meridian.

"Release(d)" means discharge, spray, inject, deposit, spill, leak, seep, pour, emit, empty, dispose, dump, escape, leach, disperse, migrate or exhaust into the environment, and when used as a noun (as applicable) has a similar meaning.

"US Base Rate" means the annual rate of interest established and recorded as such by Meridian from time to time as a reference rate for purposes of determining rates of interest it will charge on loans denominated in United States dollars.

"Business Visa Credit Card Agreement" means the Meridian Business Visa Card Agreement between Member, each Guarantor (if any), Meridian (including, without limitation, its successors and assigns) and others named therein as parties thereto, as such agreement may be amended, restated, supplemented or replaced from time to time in accordance with its terms.

"Business Visa Application and Disclosure Agreement" means the document executed by the Member and others named as parties thereto that (i) discloses certain interest rates, grace period, minimum payments, foreign currency conversion fees and certain other fees and (ii) includes certain terms and conditions and privacy notices and consents, as such document may be amended, restated, supplemented or replaced from time to time in accordance with its terms and this Schedule "A".

1. **Governing Law**

This Credit Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Member and each Guarantor (if any) attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

2. **Currency**

All dollar amounts expressed in this Credit Agreement shall refer to Canadian dollars unless otherwise specified.

3. **Currency Indemnity**

Loans denominated in Canadian currency must be repaid with Canadian currency and loans denominated in United States currency must be repaid in United States currency and the Member shall indemnify Meridian for any loss suffered by Meridian if a loan denominated in United States currency is repaid with Canadian currency or vice versa, whether or not such payment is made pursuant to an order of a court or otherwise.

4. **Evidence of Indebtedness**

Meridian's accounts, books, and records constitute, in absence of manifest error, conclusive evidence of the advances made under all Credit facilities, repayments on account thereof and the indebtedness of the Member and each Guarantor (if any) to Meridian.

5. **Authorization**

The Member for good and valuable consideration authorizes Meridian to accept telecopier and electronic communications on behalf of the Member as full and sufficient authority to act in accordance with communications as received by Meridian from the Member.

The Member shall be bound by all such telecopier and electronic communications from itself in the same manner and extent as if such communications were originally handwritten and signed by the Member, and the Member at all times save harmless, indemnify and defend Meridian from and against all claims, demands and losses, contingent or otherwise in respect of all such instructions, in the event such telecopier and electronic communications, were made without authority or otherwise.

6. **Interest, Fees and Payment**

- (a) Interest on the daily balance of principal advanced under the Credit Agreement and remaining unpaid from time to time shall be payable by the Member as set out in the Credit Agreement both before and after maturity or demand, default and judgment.

At the discretion of Meridian, each payment under the Credit Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of outstanding principal in inverse order of maturity.

- (b) The fees collected by Meridian shall be its property as consideration for the time, effort and expense incurred by it in the review of documents and financial statements, and the Member acknowledges and agrees that the determination of these costs is not feasible and that the fees set out in the Credit Agreement represent a reasonable estimate of such costs.
- (c) The Member shall pay all fees and expenses in connection with the preparation, registration and ongoing administration of the enforcement of Meridian's rights and remedies under this Credit Agreement effective from the date which is five (5) Business Days, following notification. The Member will pay interest on unpaid amounts due for all costs and expenses pursuant to this paragraph at an annual rate equal to Meridian's Prime Rate plus five percent (5%). Fees and expenses shall include, but not limited to, all outside counsel fees and expenses, all in-house legal fees and expenses and all outside professional advisory fees and expenses. Such fees and expenses are deemed to be secured by any security taken by Meridian pursuant to the terms hereof and all payments or credits to the account of the Member shall be deemed to have been applied first to the repayment of any such fees and expenses.
- (d) In the event Meridian authorizes for the Member a higher debit balance than the maximum amount authorized under this Credit Agreement, the Member agrees to repay such excess amount on demand with interest accruing on the excess amount from the date of the advance of the excess amount, both before and after demand and default, at Meridian's prescribed rate for such excess advances from time to time, being twenty one percent (21%) per annum. Such excess amounts are deemed to be secured by any security taken by Meridian pursuant to the terms hereof and all payments or credits to the account of the Member shall be deemed to have been applied first to the repayment of any such excess amounts.
- (e) All payments by the Member to Meridian shall be made at the address of the branch of Meridian set out on the Credit Agreement or at such other place as Meridian may specify in writing from time to time. Any payment delivered or made to Meridian by **3:00 p.m.** local time at the place where such payment is to be made **shall** be credited as of that day, but if made afterwards shall be credited as of the next Business Day.
- (f) Notwithstanding anything to the contrary contained in the Credit Agreement, Meridian may, in its sole and unfettered discretion, make an advance under a Credit Facility to pay any unpaid interest or fees which have become due under the terms of the Credit Agreement.
- (g) The obligation of the Member and the Guarantors (if any) to make all payments under the Credit Agreement and the Security Documents and other Financing Documents shall be absolute and unconditional and shall not be limited or affected by any circumstance, including, without limitation:

- (i) any set-off, compensation, counterclaim, recoupment, defense or other right which the Member or any Guarantor (if any) may have against Meridian or anyone else for any reason whatsoever; or
 - (ii) any insolvency, bankruptcy, reorganization or similar proceedings by or against the Member or any Guarantor (if any).
- (h) The imposition or collection of a fee does not constitute an express or implied waiver by Meridian of any Event of Default or of any of the terms or conditions of the lending arrangements, security or rights arising from any Event of Default. Fees may be charged to the Member's deposit account when incurred.

7. **Prepayment**

Floating Rate Loans: Permitted at any time without penalty unless otherwise stipulated herein.

Fixed Rate Loans: The Member may not make any payments in addition to those required on the stipulated dates prior to the term maturity date except for an annual prepayment provision, not exceeding ten percent (10%) of the original principal amount. This right of prepayment is not cumulative such that if the Member does not use this privilege in a calendar year, the Member cannot carry forward this right of prepayment for that calendar year to any following calendar year.

Any additional prepayment, in whole or in part, will be applied in inverse order of maturity, by payment in full of all outstanding principal, interest, applicable expenses and discharge costs, and subject to a prepayment penalty consisting of the greater of:

- (a) three (3) months interest, based on the unpaid principal balance as at the payout date,
and
- (b) the interest rate differential, being an amount calculated by multiplying the difference between the "existing" annual interest rate and the then "current" annual interest rate as at prepayment date, by the unpaid principal balance as at the requested payout date, and calculated with respect to the remaining portion of the term of the loan.

In the event that the due date of the loan is accelerated by demand following default by the Member, the Prepayment Penalty is applicable and recoverable by Meridian.

8. **Credit Covenants**

In addition to the covenants previously set out, each of the following shall apply until all the Credit Facilities are repaid in full and cancelled:

- (a) The Member will:
 - (i) maintain its membership with Meridian while any portion of the facilities remains outstanding or committed. A \$1.00 share deposit is required;
 - (ii) permit Meridian or associated agents access at all reasonable times to any real property, including the Property, where collateral covered Meridian security may be located and Meridian or its agents may inspect such collateral and all related documents and records;
 - (iii) agree that Meridian will provide all day to day business banking services for the Member;
 - (iv) advise Meridian of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender;
 - (v) advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Member or a Guarantor (if any) or the occurrence of any Event of Default or default under the Credit Agreement or under any other agreement for borrowed money;

¹ defined and based on CDF Rate for a term closest to the remaining term of the loan, plus applicable interest rate spread similar to that used for existing rate

- (vi) inform Meridian of any actual or probable litigation and promptly furnish Meridian with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Member; and
 - (vii) do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts and other arrangements in full force and effect.
- (b) The Member shall not, without the prior written consent of Meridian:
- (i) grant or allow any lien, charge, privilege, hypothec or other encumbrance, whether fixed or floating, to be registered against or exist on any of its assets, and in particular, without limiting the generality of the foregoing, shall not grant a trust deed or other instrument in favour of a trustee;
 - (ii) become guarantor or endorser or otherwise become liable upon any note or other obligation other than in the normal course of business of the Member;
 - (iii) declare or pay dividends on any class or kind of its shares, repurchase or redeem any of its shares or reduce its capital in any way whatsoever or repay any shareholders' advances. Such approval will not be unreasonably withheld so long as financial results and account performance is satisfactory;
 - (iv) amalgamate with or permit all, or substantially all, of its assets to be acquired by any other person, firm or corporation or permit any reorganization or change of control of the Member; or
 - (v) change the nature of its business.
- (c) The scheduled property tax payments are to be paid up to date at all times. If the Member fails to keep the tax payments up to date, Meridian reserves the right to pay the taxes and to collect from the Member an amount sufficient to pay the taxes in full. If the Member fails to timely provide Meridian with evidence of payment status, the Member authorizes Meridian to obtain the document from the municipality at the immediate sole cost and expense of the Member plus costs incurred.
- (d) Insurance coverage is to be maintained, sufficient to substantially replace all assets in the event of loss over all real and Personal Property that the Member and Guarantors (if any) have charged and/or granted security over or against in favour of Meridian. If the Member fails to take out and keep in force such minimum insurance as is required hereunder, then Meridian may, but not be obliged to, take out and keep in force such insurance at the immediate sole cost and expense of the Member plus costs incurred, or use other means at its disposal under the terms of the Security Documents.
- (e) The regular rent/lease payments on all rented/leased Property and equipment are to be maintained up to date at all times.
- (f) Meridian shall have the right in its sole and unfettered discretion to waive the delivery of any Security Documents or the performance of any term or condition of the Credit Agreement, and may advance all or any portion of the Credit Facility prior to satisfaction of any conditions precedent referred to in the Credit Agreement, but any such waiver by Meridian of any obligation or condition shall not constitute a waiver of such obligation or condition for any future advance.
- (g) All financial terms and covenants shall be determined in accordance with GAAP, applied consistently.
- (h) Any amount payable by the Member to Meridian under the Credit Agreement or the Security Documents or the other Financing Documents may be debited to any account of the Member with Meridian even if that debiting creates an overdraft in any such account.

9. **No Material Changes**

No material adverse change in, or development likely to have a material adverse effect on the condition (financial or otherwise) of the operation, business, properties, prospects or capitalization of the Member shall have occurred since the date of the Credit Agreement.

10. Letters of Credit

Meridian shall be permitted, in its sole and unfettered discretion to restrict the maturity date of any Letters of Credit it issues.

11. Cash Management and Foreign Exchange

Meridian may, and the Member hereby authorizes, Meridian to, drawdown under any Credit Facility hereunder to satisfy any obligation of the Member to Meridian in connection with any cash management service and/or foreign exchange service provided by Meridian to the Member. Meridian may draw under any Credit Facility hereunder even if the drawdown results in amounts outstanding in excess of the authorized limit for such Credit Facility.

12. Visa Business Card

If a "Visa Business Cash Back Card", "Visa Business Infinite Cash Back Card" and/or "Visa Business Flex Cash Back Card" is included as a Credit Facility, then the provisions of this paragraph shall apply. The terms and conditions of the Visa Business Card Agreement and the Visa Business Card Fee and Rate Agreement are incorporated herein by this reference mutatis mutandis. The Member and each Guarantor, if any, represents and warrants that it has received and read in full the Visa Business Card Agreement and the Visa Business Card Fee and Rate Agreement. The Member agrees that (i) the reference to the "application by the Primary Cardholder or, as applicable, the Authorized Officer Cardholder" contained within the definition of "Business" in the Visa Business Card Agreement is and shall be deemed to be a reference to the Credit Agreement and the execution on behalf of the Member of the Credit Agreement, (ii) it is the "Business" as defined and referred to in the Visa Business Card Agreement, (iii) it is bound by the Visa Business Card Agreement and (iv) it is jointly and severally liable with the other parties named therein for all debts, liabilities and obligations owing or accruing due under the Visa Business Card Agreement. Each Guarantor, if any, agrees to be bound by the Visa Business Card Agreement [and the Visa Business Card Fee and Rate Agreement] in the capacity of the "Guarantor" as defined and referred to thereunder and each Guarantor agrees that its guarantee of the debts, liabilities and obligations under the Credit Agreement includes without limitation all debts, liabilities and obligations owing or accruing due under the Visa Business Card Agreement. The Visa Business Card Fee and Rate Agreement may be amended, restated, supplemented or replaced by Meridian from time to time within the time periods contemplated in the Visa Business Card Agreement (generally, 30 days' advance written notice) and any use of a Card (as defined in the Visa Business Card Agreement) after receiving any such notice will constitute Member's and any Guarantor's acceptance of the changes contained in such notice.

13. Events of Default

Without limiting the entitlement of Meridian to demand repayment at any time of any Credit Facility or any other rights of Meridian under this Credit Agreement that are repayable on demand, upon the occurrence of any one of the following events (an "Event of Default"), Meridian, may in its sole and unfettered discretion, cease making any further advances under any of the Credit Facilities provided for under this Credit Agreement and, Meridian may, by written notice to the Member, declare all the unpaid principal of and accrued interest for all Credit Facilities to be immediately due and payable whereupon the same shall become due and payable forthwith:

- (a) The Member fails to make any payment of interest or principal when due pursuant to this Credit Agreement or any other Financing Document;
- (b) There is a breach by the Member of any other term, covenant or condition, contained in this Credit Agreement or any other Financing Document;
- (c) A representation or warranty made or given herein or in any other Financing Document is false or incorrect in any material respect when made, given or delivered;
- (d) Any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other proceedings for the relief of debtors are instituted by or against the Member and, if instituted against the Member, are allowed against or consented to by the Member or are not dismissed or stayed within five (5) days after such institution;
- (e) There occurs or is reasonably likely to occur as determined, in the sole discretion of Meridian:
 - (i) a material adverse change in the financial condition of the Member;
 - (ii) a change in control or ownership of the Member; or
 - (iii) legal proceedings detrimental to the affairs of the Member;

- (f) Any default occurs under any Security Document or under any other Financing Document;
- (g) Default by the Member under any other agreement, whether now or hereafter existing, with Meridian or in respect of any obligation to Meridian;
- (h) The Member is in default in making a payment of any other indebtedness incurred, assumed or guaranteed by it and the effect of such default is to permit the holder of such obligation to cause such obligation to become due prior to its stated maturity; or
- (i) Meridian believes in good faith that the ability of the Member to pay any of its obligations to Meridian or to perform any of the covenants contained herein is impaired or the security referred to herein is impaired or is in jeopardy.

The above Events of Default applicable to the Member also extend to the Member's subsidiary(s) and any Guarantors.

14. **Remedies of the Lender**

- (a) Upon the occurrence of an Event of Default, Meridian may declare all, or any portion outstanding of the indebtedness and other obligations under the Financing Documents to be immediately due and payable and Meridian may proceed to realize on its security and to enforce its rights under the Security Documents, including without limitation, the right to appoint a receiver or receivers over all or any part of the assets and undertakings of the Member. The receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of Meridian or not, and Meridian may remove any receiver or receivers so appointed and appoint another or others in their stead; or by proceeding in a court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the assets and undertakings of the Member 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 Member.
- (b) Any such receiver or receivers so appointed shall have power:
 - (i) to take possession of the assets and undertakings of the Member or any part thereof and to carry on the business of the Member;
 - (ii) to borrow money required for the maintenance, preservation or protection of the assets and undertakings of the Member or any part thereof or the carrying on of the business of the Member;
 - (iii) to further charge the Member's assets and undertakings in priority to its Security as security for money so borrowed; and
 - (iv) to sell, lease or otherwise dispose of the whole or any part of the Member's assets or undertakings on such terms and conditions and in such manner as they shall determine.

In exercising any powers any such receiver or receivers shall be deemed to act as agent or agents for the Member and Meridian shall not be responsible for the actions of such agent or agents.

- (c) In addition, Meridian may enter upon and lease or sell the whole or any part or parts of the Member's assets and undertakings, and any such sale may be made hereunder by public auction, by public tender or by private contract, with or without notice, advertising or any other formality, all of which are hereby waived by the Member, and 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 Meridian in its sole discretion may deem advantageous, and such sale may take place whether or not Meridian has taken such possession of such assets and undertakings.
- (d) No remedy for the realization upon the Security or for the enforcement of the rights of Meridian shall be exclusive of, or dependent on, any other such remedy, and any one or more of such remedies may from time to time be exercised independently or in combination.
- (e) The term "**receiver**" as used herein includes a receiver and manager.

15. **Representations**

The Member and Guarantors (if any) hereby represent and warrant that:

- (a) It has full power, authority and legal right to borrow in the manner and on the terms and conditions set out in this Credit Agreement and the other Financing Documents, to execute and deliver the acceptance of this Credit

- (iv) The Member shall promptly complete any and all actions for the further testing or investigation of the Property and any adjacent properties and for the treatment, clean-up, removal and remediation of any Hazardous Substances in, on or under the Property or in, on or under any adjacent property which is required, recommended or considered advisable under any environmental assessment report. Meridian may, but shall not be obligated to, enter upon the Property and take such actions and incur such costs and expenses to complete such actions as it deems advisable and the Member shall reimburse Meridian on demand for the full amount of all costs and expenses (including without limitation legal fees on a full indemnity basis and consulting fees) incurred by Meridian in connection with such activities.

The Member shall pay, at the Member's sole cost and expense, the entire cost of any environmental audit deemed necessary by Meridian in Meridian's sole discretion. Such audit shall be performed by a duly licensed engineer acceptable to Meridian. The scope of any environmental audit shall be at Meridian's sole discretion. The auditor performing the environmental audit, its employees and agents shall be granted full access to the Property and all buildings thereon to perform any testing or investigation deemed necessary by the auditor in the auditor's sole discretion.

The Member shall ensure that the representations and warranties of the Member are true and correct at this time and throughout the term of the Credit Facilities.

16. **Waiver or Variation**

No term or condition of the Credit Agreement or any other Financing Document may be waived or varied orally or by any course of conduct of any officer, employee or agent of Meridian. Any amendment to the Credit Agreement or any of the Financing Documents must be in writing and signed by a duly authorized officer of Meridian. A party's consent to or approval of any act shall not be deemed to waive the requirement for any subsequent or ongoing approval requirements pursuant to the terms of this Credit Agreement. Meridian is not required to notify a Guarantor of any change in the Credit Agreement, including any increases in the Credit Facilities.

17. **Credit Reporting**

The Member and each Guarantor consents to Meridian obtaining from any credit reporting agency or from any person such information as Meridian may require at any time, and consents to the disclosure at any time of any information concerning the Member and any Guarantor to any credit grantor with whom the Member and any Guarantors have financial relations or to any credit reporting agency.

18. **Time of Essence**

Time shall be and remain of the essence of this Credit Agreement.

19. **Survival**

All terms, conditions, representations and warranties of the Credit Agreement shall survive the closing of the Credit Facilities contemplated and neither the preparation, nor registration or any documents related to the transaction shall bind Meridian to advance funds under this Credit Agreement or the other Financing Documents.

20. **No Merger**

It is understood and agreed that the execution and delivery of the mortgage and other security documents shall in no way merge or extinguish this Credit Agreement or the other Financing Documents or their terms and conditions.

The terms and conditions of this Credit Agreement and the other Financing Documents shall continue in full force and effect; provided however, in the case of any inconsistency between the provisions of this Credit Agreement, and the provisions of any of the Security Agreements and the other Financing Documents, the provisions of this Credit Agreement shall prevail.

21. **General Indemnity**

The Member agrees to indemnify Meridian from and against any and all claims, losses and liability arising or resulting from any of the Financing Documents. In no event will Meridian be liable to the Member or any Guarantor for any direct, indirect or consequential damages arising under or in connection with any of the Financing Documents.

22. Successors and Assigns

This Credit Agreement and the other Financing Documents shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

This Credit Agreement and the other Financing Documents may not be assigned, transferred or otherwise disposed of by the Member [or any Guarantor] without the prior written consent of Meridian, which consent may be arbitrarily withheld. Meridian may, without notice to and without the consent of the Member or any Guarantor, assign, syndicate, securitize, transfer or grant participation interests in the whole or any part of this Credit Agreement, the Credit Facilities, the Security Documents and any and all right, title, benefits, remedies and obligations relating thereto. The Member and each Guarantor agrees to co-operate with Meridian in connection with any such assignment, syndication, securitization, transfer or grant of participation interests including, without limitation, the delivery of an Estoppel certificate in a form satisfactory to Meridian.

23. Set Off

Meridian may (but shall not be obligated), at any time, to apply any credit balance, whether or not then due, to which the Member or any Guarantor is entitled towards satisfaction of the obligations of the Member or any Guarantor under any of the Financing Documents.

24. Increased Costs

The Member shall reimburse Meridian for any additional cost or reduction in income arising as a result of (i) the imposition of, or increase in, taxes on payments due to Meridian hereunder (other than taxes on the overall net income of Meridian), (ii) the imposition of, or increase in, any reserve or similar requirements, and (iii) the imposition of, or change in, any other condition affecting the Credit Facilities imposed by any applicable law or the interpretation thereof.

25. Release of Information

The Member [and each Guarantor] hereby irrevocably authorizes and directs its accountant (the "**Accountant**") to deliver all financial statements and other financial information concerning it to Meridian and agrees that Meridian and the Accountant may communicate with each other as to its business and financial affairs.

26. Miscellaneous

Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with GAAP and all financial statements and information provided will be prepared in accordance with those principles.

27. Notices

All notices or other communications required to be given or which may be given under this Credit Agreement shall be in writing duly executed by the party giving such notice or its solicitors, and shall be considered given if served personally, or if mailed by prepaid registered post addressed to the parties as follows: **Meridian at Meridian Credit Union Limited, 75 Corporate Park Drive, St. Catharines, Ontario L2S 3W3 Attention: Business Banking Operations**, and to the Member and Guarantor(s) at the address first written above or as otherwise advised by them in writing. Every such notice shall be deemed to have been given upon the day it was personally served or by delivered by courier, or if mailed, upon the third postal date after it was sent by registered mailed. Either of the parties may designate in writing, a substitute address from that set forth above, and thereafter any notice shall be directed to such substituted address. In the event of a postal strike, or in the event of the interruption of mail service, then all notices must be delivered by personal delivery.

28. Choice of Law

This Credit Agreement shall be governed by the laws of the province of Ontario.

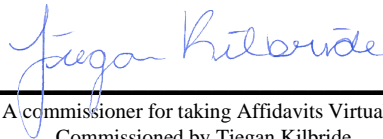
29. Partial Invalidity

If any term, covenant or condition of this Credit Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Credit Agreement and/or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Credit Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

30. Confidentiality

By acceptance of these Credit Facilities the Member and the Guarantors (if any) hereby provide consent to Meridian to disclose confidential information about the Member(s), Guarantor(s) and/or the project to financial institutions and lenders which Meridian may invite to participate in these Credit Facilities as well as, any independent third party specialists Meridian may request to provide services.

This is **Exhibit “D”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

Properties

PIN 71035 - 0041 LT
Description PT LT 2 S/S MAIN ST MORISON'S SURVEY PALMERSTON; PT LT 3 S/S MAIN ST MORISON'S SURVEY PALMERSTON AS IN RO684393 EXCEPT T/W THEREIN; MINTO
Address 212 MAIN STREET WEST PALMERSTON

Document to be Discharged

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
WC674717	2022 06 01	Charge/Mortgage
WC692569	2022 12 15	Transfer Of Charge

Discharging Party(s)

This discharge complies with the Planning Act. This discharge discharges the charge.

Name 2165418 ONTARIO LIMITED
Address for Service 109 Gardiner Drive, Bradford, ON

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.

The party giving this discharge is the new chargee by a transfer of charge or is the original chargee and has changed its name. The party giving this discharge is entitled to give an effective discharge.

Document(s) to be Deleted

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
WC674718	2022/06/01	Notice Of Assignment Of Rents-General
WC711247	2023/08/30	Notice Of Assignment Of Rents-General
WC711425	2023/08/31	Notice

Signed By

Isabelle Myriam Art 301-1595 16th Avenue acting for Signed 2024 06 19
Richmond Hill Applicant(s)
L4B 3N9

Tel 866-824-8757

Fax 866-824-8757

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

Submitted By

GREG ROBERTS PROFESSIONAL CORPORATION 301-1595 16th Avenue 2024 06 19
Richmond Hill
L4B 3N9

Tel 866-824-8757

Fax 866-824-8757

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$69.95
<i>Total Paid</i>	\$69.95

File Number

Discharging Party Client File Number : 5002-093

This is **Exhibit “E”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegan Kilbride

LSO#P17363, as per LSO corporate statement re COVID-19

Properties

PIN 71035 - 0041 LT
Description PT LT 2 S/S MAIN ST MORISON'S SURVEY PALMERSTON; PT LT 3 S/S MAIN ST MORISON'S SURVEY PALMERSTON AS IN RO684393 EXCEPT T/W THEREIN; MINTO
Address 212 MAIN STREET WEST
PALMERSTON

Document to be Discharged

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
WC725256	2024 03 20	Charge/Mortgage

Discharging Party(s)

This discharge complies with the Planning Act. This discharge discharges the charge.

Name 2654231 ONTARIO INC.
Address for Service 40 Old Mill Road, Unit LPH8, Oakville,
Ontario, L6J 7W2

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.
The party giving this discharge is the original chargee and is the party entitled to give an effective discharge

Signed By

Ayoub Azam Ali 95 Queen St. S, Unit B acting for Signed 2024 06 19
Mississauga Applicant(s)
L5M 1K7
Tel 905-826-3421
Fax 905-826-5053

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

Submitted By

Ali & Demek Lawyers LLP 95 Queen St. S, Unit B 2024 06 19
Mississauga
L5M 1K7
Tel 905-826-3421
Fax 905-826-5053

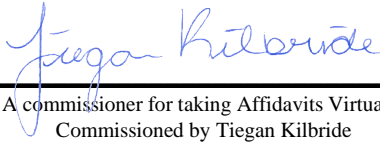
Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$69.95
<i>Total Paid</i>	\$69.95

File Number

Discharging Party Client File Number : 24-01029

This is **Exhibit “F”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

CERTIFICATE OF TREASURER

Municipal Act, R.S.O. 2001, c. 25, s. 352 (1).

Treasurer's Office:
Town Of Minto
5941 Hwy 89
R R 1
Harriston, Ontario
N0G 1Z0

Cert. #: 2024-0068
File #: May202024
Office Phone: (519) 338-2511
Toll Free:

Assessment Roll Number
23-41-000-013-00500-0000

FCT
2235 SHERIDAN GARDEN DRIVE
OAKVILLE ON L6J 7Y5

Mortgage Company None
Mortgage Number
Assessed Owners
2444877 ONT INC
113 INKERMAN ST
UNIT 109
ST THOMAS ON N5P 3G7

Statement showing arrears of taxes upon the following lands:

Assessed Description	Tax Arrears	Pen/Int Arrears	Total Arrears	Year
212 MAIN ST W	10,660.96	347.47	11,008.43	2024
PT LOT 2 PT LOT 3	28,540.94	2,930.27	31,471.21	2023
	10,810.87	1,216.26	12,027.13	2022
	0.00	0.00	0.00	2021 and Prior
Frontage: 66.10 Acreage: 0.00 Depth: 70.00	50,012.77	4,494.00	54,506.77	
C T NS 576,200	The total taxes levied on the above lands for the year 2023 were: \$23,144.34			
M T EP 303,800	Total amount paid to date (inclusive of amounts added to taxes for collection): \$0.00			

* Other outstanding amounts not included above:

0301300501 [Utility - Palmerston]	1,984.83
6011170703 [General Receivables]	0.00
6011172585 [General Receivables]	0.00

I hereby certify that the above statement shows all arrears of taxes against the above lands, and proceedings have not been commenced under the Municipal Act S.O. 2001 Chapter 25 Section 373 (1).

Date: MAY 14,2024 Fee: 40.00 Authorized By: _____

NOTE: Penalty and/or interest levied on the outstanding principal is 1.25% levied on the first day of default of payment and on the first day of each month thereafter until paid.

<u>CURRENT LEVY</u>		<u>RECEIVABLES</u>	
TYPE	AMOUNT	TYPE	AMOUNT
INTERIM TAX BILL	11,572.00	TOTAL CURRENT OWING	10,660.96
FINAL TAX BILL	0.00	TOTAL ARREARS OWING	39,351.81
*SUPP/OMIT	0.00	ARREARS INTEREST OWING	4,146.53
*WRITE OFF	0.00	CURRENT PENALTY OWING	347.47
*ARB	0.00	TOTAL OWING ON ACCOUNT	54,506.77
TOTAL LEVY	11,572.00	TOTAL NOT YET DUE	5,786.00
TOTAL MISCELLANEOUS CHARGES	0.00		
		<u>INSTALMENTS DUE</u>	
		05/27/2024	5,786.00
<u>LOCAL IMPROVEMENTS AND SPECIAL CHARGES</u>			
DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
	EXPIRY		EXPIRY

Town of Minto, 5941 Hwy 89,
RR 1, Harriston, ON N0G 1Z0

Errors & Omissions Excepted. *** Indicate supplemental assessments billed in the current year.

This is **Exhibit “G”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19



Town Of Minto
 5941 Hwy 89
 R R 1
 Harriston, Ontario N0G 1Z0

Receipt Number: 0683290
 Receipt Date: 06/24/2024
 Receipt Amount: 60,995.26

2444877 ONT INC
 113 INKERMAN ST
 UNIT 109
 ST THOMAS ON N5P 3G7

Description	Item Amount	Qty	Amount
-------------	-------------	-----	--------

Property Taxes

Property Taxes [23-41-000-013-00500-0000] 60,995.26 1.00000 60,995.26

Tax Payment Application Details				
Tax Year	2024	2023	2022	2021
Principal	16,446.96	28,540.94	10,810.87	0.00
Penalty/Interest	558.06	3,287.03	1,351.40	0.00
Total	17,005.02	31,827.97	12,162.27	0.00
Balance As Of Receipt Date:	60,995.26	Current Balance:		0.00
Payment Amount:	60,995.26			

Receipt Amount: 60,995.26
 Tax Payment By Cheque 60,995.26

Official Receipt

Per _____

Tax Reg.: 873 290 555

Note: This receipt is not valid until the payment has cleared.

This is **Exhibit “H”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

Properties

PIN 71035 - 0041 LT *Interest/Estate* Fee Simple
Description PT LT 2 S/S MAIN ST MORISON'S SURVEY PALMERSTON; PT LT 3 S/S MAIN ST MORISON'S SURVEY PALMERSTON AS IN RO684393 EXCEPT T/W THEREIN; MINTO
Address 212 MAIN STREET WEST
PALMERSTON

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 2444877 ONTARIO INC.
Address for Service 8-41 Mondamin Street, St. Thomas, ON
N5P 2V4

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 MERIDIAN CREDIT UNION LIMITED
Address for Service 75 Corporate Park Drive, St. Catharines, ON L2S 3W3

Statements

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

Provisions

Principal \$2,511,500.00 *Currency* CDN
Calculation Period
Balance Due Date On Demand
Interest Rate 24.00%
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 200522
Insurance Amount Full insurable value
Guarantor

Additional Provisions

See Schedules

Signed By

Agnieszka Lamek 140 Fullarton Street, Suite 1800 acting for Signed 2024 06 18
London Chargor(s)
N6A 5P2
Tel 519-672-5666
Fax 519-672-2674

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

Submitted By

MCKENZIE LAKE LAWYERS LLP 140 Fullarton Street, Suite 1800 2024 06 18
London
N6A 5P2
Tel 519-672-5666

Submitted By

Fax 519-672-2674

Fees/Taxes/Payment

Statutory Registration Fee \$69.95

Total Paid \$69.95

File Number

Chargor Client File Number : 117951

Schedule “A”

Payment Provisions

This Charge is given as continuing security for payment to the Chargee of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Chargor to the Chargee (such debts and liabilities being hereinafter called the “liabilities”), but the Chargor’s liability hereunder being limited to the sum of “the Credit Limit” (being the Principal Amount stated on Page 1 of this Charge/Mortgage) with interest at the rate hereinafter set out;

The Chargor covenants to pay each and every liability to the Chargee punctually as the same falls due; provided that this Charge is void upon payment on demand of the ultimate balance of the liabilities and all promissory notes, bills of exchange, guarantees and any other instruments whatsoever from time to time representing the liabilities or any part thereof, not exceeding the principal sum of “the Credit Limit” (being the Principal Amount stated on Page 1 of this Charge/Mortgage) together with interest thereon at the rate of 24.00 per centum per annum as well after as before maturity and both before and after default and all other amounts payable by the Chargor hereunder.

SCHEDULE "B"

ADDITIONAL PROVISIONS

RECEIVER

Notwithstanding anything herein contained it is declared and agreed that at any time and from time to time when there shall be default under the provisions of these presents the chargee may at such time and from time to time and with or without entry into possession of the charged premises or any part thereof by writing under its corporate seal appoint a receiver of the charged premises or any part thereof and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any receiver and appoint another in his stead and that, in making any such appointment or removal, the chargee shall be deemed to be acting as the agent or attorney for the chargor. Upon the appointment of any such receiver or receivers from time to time the following provisions shall apply:

1. That the statutory declaration of an officer of the chargee as to default under the provisions of these presents shall be conclusive evidence thereof.
2. That every such receiver shall be the irrevocable agent or attorney of the chargor for the collection of all rents falling due in respect of the charged premises or any part thereof whether in respect of any tenancies created in priority to these presents or subsequent thereto;
3. That every such receiver may, in the discretion of the chargee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the chargee;
4. That the chargee may from time to time by such writing fix the remuneration of every such receiver who shall be entitled to deduct the same out of the charged premises or the proceeds thereof;
5. That every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the chargor and in no event the agent of the chargee;
6. That the appointment of every such receiver by the chargee shall not incur or create any liability on the part of the chargee to the receiver in any respect and such appointment or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not have the effect of constituting the chargee a chargee in possession in respect of the charged premises or any part thereof;
7. That every such receiver shall from time to time have the power to rent any portion of the demised premises which may become vacant for such term and subject to such provisions as he may deem advisable or expedient and in so doing every such receiver shall act as the attorney or agent of the chargor and he shall have authority to execute under seal any lease of any such premises in the name of and on behalf of the chargor and the chargor undertakes to ratify and confirm whatever any such receiver may do in the premises;
8. That every such receiver shall have full power to take all steps he deems appropriate to complete any unfinished construction upon the charged premises with the intent that the charged premises and the buildings thereof when so completed shall be the complete structure as represented by the chargor to the chargee for the purpose of obtaining this charge loan;
9. That every such receiver shall have full power to manage, operate, amend, repair, alter or extend the charged premises or any part thereof in the name of the chargor for the purpose of securing the payment of rental from the charged premises or any part thereof;
10. That no such receiver be liable to the chargor to account for monies or damages other than cash received by him in respect of the charged premises or any part thereof and out of such cash so received every such receiver shall in the following order pay:

- (a) His remuneration aforesaid;
- (b) All payments made or incurred by him in connection with the management, operation, amendment, repair, alteration or extension of the charged premises or any part thereof; or completion of any unfinished construction upon same;
- (c) In payment of interest, principal and other money which may, from time to time, be or become charged upon the charged premises in priority to these presents, and all taxes, insurance premiums and every proper expenditure made or incurred by him in respect to the charged premises or any part thereof;
- (d) The chargee in payment of all interest due or falling due under this charge and the balance to be applied upon principal due and payable and secured by this charge; and
- (e) Thereafter any surplus remaining in the hands of every such receiver to the chargor, its successors and assigns.

This is **Exhibit "I"** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

Properties

PIN 71035 - 0041 LT
Description PT LT 2 S/S MAIN ST MORISON'S SURVEY PALMERSTON; PT LT 3 S/S MAIN ST MORISON'S SURVEY PALMERSTON AS IN RO684393 EXCEPT T/W THEREIN; MINTO
Address 212 MAIN STREET WEST PALMERSTON

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 2444877 ONTARIO INC.
Address for Service 8-41 Mondamin Street, St. Thomas, ON N5P 2V4

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 MERIDIAN CREDIT UNION LIMITED
Address for Service 75 Corporate Park Drive, St. Catharines, ON L2S 3W3

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, WC732223 registered on 2024/06/18 to which this notice relates is deleted
Schedule: See Schedules

Signed By

Agnieszka Lamek 140 Fullarton Street, Suite 1800 acting for Signed 2024 06 18
London Applicant(s)
N6A 5P2

Tel 519-672-5666
Fax 519-672-2674

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

Agnieszka Lamek 140 Fullarton Street, Suite 1800 acting for Signed 2024 06 18
London Party To(s)
N6A 5P2

Tel 519-672-5666
Fax 519-672-2674

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

Submitted By

MCKENZIE LAKE LAWYERS LLP 140 Fullarton Street, Suite 1800 2024 06 18
London
N6A 5P2

Tel 519-672-5666
Fax 519-672-2674

Fees/Taxes/Payment

Statutory Registration Fee \$69.95
Total Paid \$69.95

File Number

Applicant Client File Number : 117951

Meridian™ General Assignment of Leases and Rents

THIS ASSIGNMENT made the 7th day of March, 2024.

BETWEEN

2444877 ONTARIO INC.

(hereinafter called the "Assignor")

OF THE FIRST PART

-and-

MERIDIAN CREDIT UNION LIMITED

(hereinafter called the "Assignee")

OF THE SECOND PART

WITNESSES:

1. WHEREAS the Assignor is the registered owner of the lands and premises described as 212 Main Street West, Palmerston, Ontario including the buildings erected or to be erected thereon (herein called the "Lands"), subject to a Charge to the Assignee which Charge secures the principal amount of \$ 2,511,500.00 (Two Million Five Hundred and Eleven Thousand Five Hundred Dollars).
2. NOW THEREFORE in consideration of Five Dollars (\$5.00) and other valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Assignor), the Assignor transfers and assigns to the Assignee, its successors and assigns, as security only (and not absolutely) for payment of the Principal Amount and interest secured by the said Charge, all its rights, benefits, title and interest under, in and to, and all claims of whatsoever nature or kind which the Assignor now has or may hereafter have under or pursuant to:
 - (a) the benefit of all present and future leases, subleases, agreements to occupy or use and licenses in respect of the whole or any part(s) of the Lands (the "Leases");
 - (b) all present and future incomes, rents, accounts and other moneys reserved or payable under the Leases (the "Rents"); and
 - (c) the benefit of every existing and future guarantee with respect to the Leases of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Lands.
3. THE ASSIGNOR COVENANTS AND AGREES THAT:
 - (a) it has not and will not do or omit to do any act having the effect of terminating, cancelling or accepting surrender of any of the Leases or of waiving, releasing, reducing or abating any rights or remedies of the Assignor or obligations of any other party thereunder or in connection therewith;
 - (b) none of such rights, remedies and obligations are or will be affected by any other agreement, document or understanding or by any reduction, abatement, defence, set-off, or counterclaim;
 - (c) none of the Leases or the Assignor's rights thereunder, including the right to receive the Rents, has been or will be amended, assigned, encumbered, discounted or anticipated by any instrument which might rank prior to or pari passu with the security hereby created or intended to be created save for those that will be discharged out of the advance of funds under the said Charge;
 - (d) none of the Rents has been or will be paid in advance (except those in respect of the first and/or the last months of the terms of any of the Leases when so required thereunder);
 - (e) none of the remainder of the Rents has been or will be paid prior to the due date for payment thereof;
 - (f) there is no current default under any of the Leases by any of the parties thereto;
 - (g) there is no outstanding dispute under any of the Leases between the Assignor and any other party thereto; and
 - (h) the Assignor will observe and perform all of his obligations under each of the Leases.
4. PROVIDED, however, and it is hereby specifically agreed as follows:
 - (a) The Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of each such Leases, unless and until there is default under the Charge and the Assignee has given notice to the tenant, user, occupier, licensee or guarantor thereunder requiring it to pay the Rents to the Assignee; but nothing herein contained shall permit or authorize the Assignor to collect any of the rents contrary to clauses (d) and (e) above; and
 - (b) Nothing herein contained shall have the effect of making the Assignee, its successors and assigns, responsible for the collection of the Rents or any of them or for the performance of any of the obligations or conditions under or in respect to the Leases or any of them to be observed and performed by the Assignor, and the Assignee shall not, by virtue of this agreement or its receipt of the Rents or any of them, become or be deemed a mortgagee in possession of the Lands and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them; and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less proper collection charges and such moneys may be applied on account of any indebtedness of the Assignor to the Assignee pursuant to the Charge.
5. THE Assignor agrees to execute at the Assignor's expense such further assurances as may reasonably be required by the Assignee from time to time to perfect this assignment and, without limiting the generality of the foregoing, whenever any of the Leases not now existing is made or arises, the Assignor will forthwith at the request of the Assignee give the Assignee a specific assignment of the Rents and/or the Leases thereunder similar to this assignment and will obtain from any other parties thereto acknowledgments, such acknowledgments to be in such form as may reasonably be required by the Assignee.

6. **THE Assignor** agrees to specifically assign to the Assignee at the Assignor's expense and in registrable form, any of the Leases of part or parts of the Lands whether now existing or which may be created in the future and which the Assignee may from time to time require assigned to it.
7. **THE Assignor** further agrees that he will not lease or agree to lease any part of the Lands except at a rent, on terms and conditions, and to tenants, which are not less favourable or desirable to the Assignor than those, which a prudent landlord would expect to receive for the premises to be leased.
8. **PROVIDED** that upon repayment of the whole of the moneys secured by the Charge and upon performance of all those covenants therein contained, these presents shall be void and of no further force or effect. The delivery of an executed full and final discharge of the Charge shall operate as a re-assignment of the Rents and Leases to the Assignor.
9. **IT IS HEREBY AGREED** that in construing this assignment the words "Assignor" and "Assignee" and the pronoun "it" relating thereto and used therewith, shall be read and construed as "Assignor" or "Assignors", "Assignee" or "Assignees", and "it", "its", "he", "she", "his", "her", "they", "their" or "them" respectively, as the number and gender of the party or parties referred to in each case require and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted.
10. **THIS ASSIGNMENT** shall enure to the benefit of and be binding upon the respective heirs, estate trustees, executors, administrators, successors and assigns of the parties hereto. In the event the Assignor is more than one party, all covenants and liabilities and obligations of the Assignor shall be joint and several.

IN WITNESS WHEREOF the Assignor has executed this Assignment as of the date first above written.

2444877 ONTARIO INC.

X

Name: Gurmjit Singh

Title: President

I have the authority to bind the corporation.


X

Name: _____

Title: _____

I have the authority to bind the corporation.

This is **Exhibit “J”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride

LSO#P17363, as per LSO corporate statement re COVID-19

Meridian™ Guarantee and Postponement of Claim

To: **MERIDIAN CREDIT UNION LIMITED**
(hereinafter called the "**Credit Union**")

For Valuable Consideration **GURMIT SINGH**
(hereinafter called the "**Guarantor**")

hereby guarantees payment of the liabilities of **2444877 ONTARIO INC.**
(hereinafter referred to as the "**Member**")

to the Credit Union and agrees to the following Terms and Conditions:

1. If more than one Guarantor executes this instrument the provisions hereof shall be read with all necessary grammatical changes, each reference to the Guarantor shall include each and every one of the undersigned severally and this Guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.
2. The Credit Union may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Member, with other parties and with securities as the Credit Union may see fit. The Credit Union may apply all moneys received from the Member or others, or from securities, upon such part of the Member's liability as it may think best, without prejudice to and without in any way limiting or lessening the liability of the Guarantor under this Guarantee.
3. Neither the failure of the Credit Union to take any security that the parties hereto contemplated it would take nor the failure of the Credit Union to perfect any security taken shall prejudice, or in any way limit or lessen the liability of the Guarantor under, this Guarantee.
4. No loss of or in respect of securities received by the Credit Union from the Member or any other person, whether occasioned through the fault of the Credit Union or otherwise, shall discharge pro tanto, limit or lessen the liability of the Guarantor under this Guarantee.
5. This Guarantee shall be binding on the Guarantor as a continuing guarantee and shall cover any present liabilities of the Member to the Credit Union, all liabilities incurred after the date hereof whether from dealings between the Credit Union and the Member or from any other dealings by which the Member may become in any manner whatever liable to the Credit Union and any ultimate balance due or remaining due to the Credit Union. The Guarantor, or the executors, administrators or successors of the Guarantor, may determine further liability under this Guarantee by written notice to the Credit Union; and this Guarantee shall not apply to any liabilities of the Member to the Credit Union incurred after the expiration of thirty days from the date of receipt of such notice by the Credit Union.
6. Any change in the name of the Member, or any change in the membership of the Member's firm, shall not affect or in any way limit or lessen the liability of the Guarantor hereunder. This Guarantee shall also extend to any person, firm or corporation acquiring or from time to time carrying on the business of the Member.
7. All moneys, advances, renewals and credits in fact borrowed or obtained from the Credit Union shall be deemed to form part of the liabilities hereby guaranteed notwithstanding any incapacity, disability or lack or limitation of status or of power of the Member or of the directors, partners or agents thereof, notwithstanding that the Member may not be a legal entity, and notwithstanding any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits. Any amount which may not be recoverable from the Guarantor on the basis of a guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Credit Union after demand therefor has hereinafter provided.
8. Any account settled or stated by or between the Credit Union and the Member shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Member to the Credit Union is so due.
9. Should the Credit Union receive from the Guarantor any payment or payments, either in full or on account of the liability under this Guarantee, the Guarantor shall not be entitled to claim repayment against the Member or the Member's estate until the Credit Union's claims against the Member have been paid in full. In case of any liquidation, winding up or bankruptcy of the Member, or in the event that the Member shall make a sale of any of the Member's assets within the bulk transfer provisions of any applicable legislation, or in the case of any composition with creditors or scheme of arrangement, the Credit Union shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue liable up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing to the Credit Union by the Member. In the event of the valuation by the Credit Union of any of its securities and/or the retention thereof of the Credit Union, such valuation and/or retention shall not, as between the Credit Union and the Guarantor, be considered as a purchase of such securities, or as payment, satisfaction or reduction of the Member's liabilities to the Credit Union, or any part thereof.
10. The Guarantor shall make payment to the Credit Union of the amount of the liability of the Member forthwith after demand therefor is made in writing. Such demand shall be deemed to have been made when an envelope containing the demand and addressed to the Guarantor at the last address of the Guarantor known to the Credit Union is deposited, postage prepaid and registered, in the Post Office. The liability of the Guarantor shall bear interest from the date of such demand at the rate or rates then applicable to the liabilities of the Member to the Credit Union. Furthermore, when demand for payment has been made, the Guarantor shall also be liable to the Credit Union for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Credit Union resulting from any action instituted on the basis of this Guarantee.
11. For the further security of the Credit Union the Guarantor agrees that:
 - (a) Any debts and claims against the Member now or at any time hereafter held by the Guarantor are and shall be held by the Guarantor for the further security of the Credit Union, and as between the Guarantor and the Credit Union are hereby postponed to the debts and claims against the Member now or at any time hereafter held by the Credit Union. Any such debts and claims of the Guarantor shall be held in trust for the Credit Union, shall be collected, enforced or proved subject to and for the purposes of this agreement and any moneys received by the Guarantor in respect thereof shall be paid over to the Credit Union on account of the Credit Union's debts and claims. No such debt or claim of the Guarantor against the Member shall be released or withdrawn by the Guarantor unless the Credit Union's written consent to such release or withdrawal is first obtained. The Guarantor shall not permit the prescription of any such debt or claim by any statute of limitations, assign any such debt or claim to any person other than the Credit Union, or ask for or obtain any security, negotiable paper or other evidence of any such debt or claim except for the purpose of delivering the same to the Credit Union. The Credit Union may at any time give notice to the Member requiring the Member to pay to the Credit Union all or any of such debts or claims of the Guarantor against the Member, and in such event such debts and claims are hereby assigned and transferred to the Credit Union. In the event of the liquidation, winding up or bankruptcy of the Member, or in the event that the Member shall make a sale of any of the Member's assets within the bulk transfer provisions of any applicable legislation, or in the event of any composition with creditors or scheme of arrangement, any and all dividends or other moneys which may be due or payable to the Guarantor in respect of the debts or claims of the Guarantor against the Member are hereby assigned and transferred to

and shall be due and be paid to the Credit Union, and for such payment to the Credit Union this shall be a sufficient warrant and authority to any person making the same. The Guarantor shall, at any time and from time to time at the request of and as required by the Credit Union, make execute and deliver all statements of claims, proofs of claim, assignments and other documents and do all matters and things which may be necessary or advisable for the protection of the rights of the Credit Union under and by virtue of this instrument.

- (b) The provisions of this clause are independent of and severable from the provisions of clauses 1-10 of this Guarantee and Postponement of Claim and shall remain in force whether or not the Guarantor is liable for any amount under clauses 1-10 and clause 18 and whether or not the Credit Union has received the notice referred to in paragraph 5. The provisions of this clause may, however, be terminated by the Guarantor, by written notice given to the Credit Union at any time when the Guarantor is not liable for any amount under clauses 1-10 and clause 18 by reason of the fact that the Member is not indebted or liable to the Credit Union.
12. The Credit Union shall not be bound to exhaust its recourse against the Member, other parties or the securities it may hold before being entitled to payment from the Guarantor under this Guarantee.
 13. This Guarantee is given in addition to and without prejudice to any securities of any kind, including any guarantees and postponement agreements, whether or not in the same form as this instrument, now or hereafter held by the Credit Union.
 14. There are no representations, collateral agreements or conditions with respect to this instrument, or affecting the Guarantor's liability hereunder, other than those contained herein.
 15. The terms and conditions set out in this Guarantee shall not merge with any judgment which may be obtained against the Guarantor or the Member.
 16. This instrument shall be construed in accordance with the laws of the Province of Ontario. The Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this instrument may be instituted in the courts of Ontario, and the Guarantor hereby agrees to accept and submit to the jurisdiction of the said courts, to acknowledge their competence, and to be bound by any judgment thereof. Nothing herein shall limit the Credit Union's right to bring proceedings against the Guarantor elsewhere.
 17. This Guarantee and Postponement of Claim shall extend to and enure to the benefit of the successors and assigns of the Credit Union, and shall be binding upon the Guarantor and the heirs, executors and administrators or the successors and assigns of the Guarantor.
 18. WITH RESPECT TO THE LIABILITIES OF 2444877 ONTARIO INC.

The liability of the Guarantor hereunder shall be unlimited
and shall bear interest from the date of demand for payment as heretofore provided.

Signed, Sealed and Delivered this 7th day of March, 2024 at Toronto, Ontario

To be completed by individuals, partners or sole proprietors	<input checked="" type="checkbox"/> Signature of Witness	<input checked="" type="checkbox"/> Signature of Guarantor <u>GURMIT SINGH</u>
	<input checked="" type="checkbox"/> Signature of Witness	<input checked="" type="checkbox"/> Signature of Guarantor
To be completed by incorporated businesses	Per <input checked="" type="checkbox"/> Authorized Signing Official	Title
	Per <input checked="" type="checkbox"/> Authorized Signing Official	Title

This is **Exhibit “K”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride

LSO#P17363, as per LSO corporate statement re COVID-19

THIS SECURITY AGREEMENT (as amended, modified, renewed, supplemented, replaced or extended from time to time, this "Agreement") dated as of March 7, 2024, is made by and between 2444877 ONTARIO INC. (the "Assignor"), and MERIDIAN CREDIT UNION LIMITED (the "Lender").

The Assignor hereby enters into this General Security Agreement with the Lender for valuable consideration and as security for the repayment and discharge of all indebtedness, obligations and liabilities of any kind, now or hereafter existing, direct or indirect, absolute or contingent, joint or several, of the Assignor to the Lender, wheresoever and howsoever incurred whether as principal or surety, together with all expenses (including legal fees on a solicitor and client basis) incurred by the Lender, its receiver or agent in the preparation, perfection and enforcement of security or other agreements held by the Lender in respect of such indebtedness, obligations or liabilities and interest thereon (all of which present and future indebtedness, obligations, liabilities, expenses and interest are herein collectively called the "Indebtedness").

A. Grant of Security Interests

1. The Assignor hereby grants to the Lender, by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Assignor and in all property, real and personal, including, without limitation, all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Accounts, Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money, Securities, Investment Property, now or hereafter owned or acquired by or on behalf of the Assignor and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively call the "Collateral") including without limitation, all of the following now or hereafter owned or acquired by or on behalf of the Assignor:
 - (i) all Inventory of whatever kind and wherever situate;
 - (ii) all Equipment of whatever kind and wherever situate including, without limitation, all machinery, tools, apparatus, plant furniture, fixtures and vehicles of whatsoever nature or kind;
 - (iii) all accounts and book debts and generally all debts, accounts receivable, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit, guarantees and advices of credit which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Assignor;
 - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Accounts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (v) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights and other industrial property;
 - (vi) all monies other than trust monies lawfully belonging to others;
 - (vii) all property and assets, real and personal, moveable or immoveable, of whatsoever nature and kind; and
 - (viii) all present and future investment property held by the Assignor, including securities, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation, or other interest of the Assignor in property or in a enterprise or which constitute evidence of an obligation of the issuer, together with all accretions thereto, all substitutions therefor, all dividends and income derived therefrom and all rights and claims in respect thereof.
2. The Security Interest hereby created shall not extend or attach to (i) any personal property held in trust by the Assignor and lawfully belonging to others or (ii) any property of the Assignor that constitutes consumer goods for the personal use of the Assignor; or (iii) the last day of the term of any lease, oral or written or agreement therefor, now held or hereafter acquired by the Assignor, provided that upon the enforcement of the Security Interest the Assignor shall stand possessed of such last day in trust to assign and dispose of the same to any person acquiring such term. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed thereto in the PPSA.

B. Attachment

3. The Assignor warrants and acknowledges that the Assignor and the Lender intend the Security Interest in existing Collateral to attach upon the execution of this General Security Agreement; that value has been given; that the Assignor has rights in such existing Collateral; and that the Assignor and the Lender intend the Security Interest in hereafter acquired Collateral to attach at the same time as the Assignor acquires rights in the said after acquired Collateral.

C. Representations and Warranties of Assignor

4. The Assignor hereby represents and warrants to the Lender that:
 - (a) the Collateral is genuine and owned by the Assignor, with good and marketable title, free of all security interests, mortgages, liens, claims, charges or other encumbrances (collectively hereinafter called "Encumbrances"), save for the Security Interest
 - (b) no person has any right, title, claim or interest (by way of security interest or other lien) in, against or to the Collateral.
 - (c) all information heretofore, herein or hereafter supplied to the Lender by or on behalf of the Assignor with respect to the Collateral is accurate and complete in all material respects.
 - (d) the Assignor has delivered to the Lender all instruments and chattel paper and other items of Collateral in which a security interest is or may be perfected by possession, together with such additional writings, including assignments, with respect thereto as the Lender shall request.
 - (e) all of the patents, trade-marks, and copyrights of the Assignor have been registered or applied to be registered with the United States Patent and Trademark Office, the United States Copyright Office or the Canadian Intellectual Property Office, as appropriate.
 - (f) the Assignor's chief executive office is in the Province of Ontario and the Assignor's records concerning the Collateral are located at its chief executive office.

D. Covenants and Agreements of Assignor

5. The Assignor hereby covenants and agrees with the Lender that until all of the Indebtedness is paid in full:
- (a) the Assignor shall not without the prior written consent of the Lender sell or dispose of any of the Collateral in the ordinary course of business or otherwise, and if the amounts on or in respect of the Collateral or Proceeds thereof shall be paid to the Assignor, the Assignor shall receive the same in trust for the Lender and forthwith pay over the same to the Lender upon request; provided however that the Inventory of the Assignor may be sold or disposed of in the ordinary course of business and for the purpose of carrying on the same;
 - (b) the Assignor shall not without the prior written consent of the Lender create or permit any Encumbrances upon or assign or transfer as security or pledge or hypothecate as security the Collateral except to the Lender;
 - (c) the Assignor shall at all times have and maintain insurance over the Collateral against risks of fire (including extended coverage), theft, and such risks as the Lender 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 Lender. The Assignor shall duly and reasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Lender as its interest hereunder may appear and shall, if required, furnish the Lender with certificates or other evidence satisfactory to the Lender of compliance with the foregoing insurance provisions. In the event that Assignor fails to pay all premiums and other sums payable in accordance with the foregoing insurance provision, the Lender may make such payments to be repayable by the Assignor on demand and any such payments made by the Lender shall be secured hereby;
 - (d) the Assignor shall keep the Collateral in good condition and repair according to the nature and description thereof, and the Lender may, whenever it deems necessary, either in person or by agent, inspect the Collateral and the reasonable cost of such inspection shall be paid by the Assignor and secured hereby and the Lender may make repairs as it deems necessary and the cost thereof shall be paid by the Assignor and secured hereby;
 - (e) the Assignor shall duly pay all taxes, rates, levies, assessments of every nature which may be lawfully levied, assessed or imposed against or in respect of the Assignor or the Collateral as and when the same become due and payable;
 - (f) the Assignor agrees that the Lender may, at any time, whether before or after a default under this General Security Agreement, notify any account Borrower of the Assignor of the Security Interest, require such account Borrower to make payment to the Lender, take control of any Proceeds of Collateral and may hold all amounts received from any account Borrower and any Proceeds as part of the Collateral and as security for the Indebtedness;
 - (g) the Assignor shall prevent the Collateral from becoming an accession to any personal property not subject to this agreement or becoming affixed to any real property, without the prior written consent of the Lender.
 - (h) the Assignor shall from time to time deliver to the Lender promptly upon request (and, if so requested, from time to time as they are acquired by the Assignor) all items of Collateral comprising Chattel Paper, Instruments, Investment Property (to the extent certificated) and those Documents of Title which are negotiable.
 - (i) the Assignor shall pay or reimburse the Lender for all costs and expenses of the Lender, its agents, officers and employees (including, without limitation, legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this agreement and the filing of financing statement(s) and financing change statement(s) with respect to this agreement;
 - (ii) any person engaged by the Lender to conduct an inspection of the collateral; and
 - (iii) dealing with other creditors of the Assignor in connection with the establishment, confirmation, amendment or preservation of the priority of the Security Interest;such costs and expenses to be payable by the Assignor to the Lender on demand, to bear interest at the highest rate per annum borne by any of the Indebtedness, calculated and compounded monthly, and (with all such interest) to be added to and form part of the Indebtedness.
 - (j) the Assignor shall promptly notify the Lender in writing of the details of:
 - (i) any amendment to its articles, including without limitation by virtue of the filing of articles of amalgamation, effecting a change in the Assignor's name or authorizing it to use a French version of its name;
 - (ii) any claim, litigation or proceedings before any court, administrative board or other tribunal which either does or could have a material adverse effect on the Collateral or the Assignor;
 - (iii) any claim, lien, attachment, execution or other process or encumbrance made or asserted against or with respect to the Collateral which either does or could have a material adverse effect on the Security Interest;
 - (iv) any transfer of the Assignor's interest in the Collateral, whether or not permitted hereunder; or
 - (v) any material loss of or damage to the Collateral, whether or not such loss or damage is covered by insurance.
 - (k) if any of the Collateral consists of Investment Property, (a) the Assignor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that so long as no event of default has occurred, the Lender shall deliver promptly to the Assignor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Assignor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the occurrence of an event of default, the Assignor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Assignor or its designee as aforesaid shall thereafter be effective; and (b) the Assignor further agrees to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the Securities Transfer Act, 2006 (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by the Lender, whether before or after the occurrence of an event of default, without further consent by the Assignor.
6. The Assignor shall at all times and from time to time do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered any such further act, deed, transfer, assignment, assurance, document or instrument as the Lender may reasonably require for the better granting, mortgaging, charging, assigning and transferring unto the Lender the property and assets hereby subjected or intended to be subject to the Security Interest or which the Assignor may hereafter become bound to mortgage, charge,

assign, transfer or subject to the Security Interest in favour of the Lender for the better accomplishing and effectuating of this General Security Agreement and the provisions contained herein and each and every officer of the Lender is irrevocably appointed attorney to execute in the name and on behalf of the Assignor any document or instrument for the said purposes.

7. The Assignor shall permit the Lender at any time, either in person or by agent, to inspect the Assignor's books and records pertaining to the Collateral. The Assignor shall at all times upon request by the Lender furnish the Lender with such information concerning the Collateral and the Assignor's affairs and business as the Lender may reasonably request including, without limitation, lists of Inventory and Equipment and lists of Accounts 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 Accounts.
8. The Assignor acknowledges and agrees that, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Assignor" when used herein shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the Security Interest granted hereby:
 - (i) shall extend and attach to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
 - (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Indebtedness" of the amalgamated corporation to the Lender thereafter arising.

E. Default

9. The Assignor shall be in default under this General Security Agreement upon the occurrence of any one of the following events:
 - (a) the nonpayment by the Assignor, when due, whether by acceleration or otherwise, of any of the Indebtedness;
 - (b) the death or a declaration of incompetency by a court of competent jurisdiction with respect to the Assignor, if an individual;
 - (c) the failure of the Assignor to observe or perform any covenant, undertaking or agreement heretofore or hereafter given to the Lender, whether contained herein or not;
 - (d) an execution or any other process of the Court becomes enforceable against the Assignor or a distress or an analogous process is levied upon the property of the Assignor or any part thereof;
 - (e) the Assignor becomes insolvent, commits an act of bankruptcy, makes an assignment in bankruptcy or a bulk sale of its assets, any proceeding for relief as a Assignor or liquidation, re-assignment or winding-up is commenced with respect to the Assignor or an application for a bankruptcy order is filed or presented against the Assignor and is not bona fide opposed by the Assignor;
 - (f) the Assignor ceases to carry on business;
 - (g) any representation or warranty of the Assignor contained herein or in any document or certificate furnished in connection herewith proves to have been untrue in any material respect at the time in respect of which it was made;
 - (h) an encumbrancer, whether permitted or otherwise, takes possession of any significant portion of the Collateral;
 - (i) an order is made or legislation enacted for the expropriation, confiscation, forfeiture, escheating or other taking or compulsory divestiture, whether or not with compensation, of all or a significant portion of the Collateral unless the same is being actively and diligently contested by the Assignor in good faith, the Assignor shall have provided to the Lender such security therefor as it may reasonably require and such order or legislation shall have been vacated, lifted, discharged, stayed or repealed within thirty days from the date of being entered, pronounced or enacted, as the case may be;
 - (j) the Assignor is liquidated, dissolved or its corporate charter expires or is revoked; or
 - (k) the Assignor defaults in the observance or performance of any provision relating to indebtedness of the Assignor to any creditor other than the Lender and thereby enables such creditor to demand payment of such indebtedness.
10. The Lender may in writing waive any breach by the Assignor of any of the provisions contained herein or any default by the Assignor in the observance or performance of any covenant or condition required by the Lender to be observed or performed by the Assignor; provided that no act or omission by the Lender in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

F. Remedies of the Lender

11. (a) Upon any default under this General Security Agreement, the Lender may declare any or all of the Indebtedness to be immediately due and payable and the Lender 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 all or any part of the Collateral and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Lender or not, and the Lender 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 Assignor.
- (b) Any such receiver or receivers so appointed shall have power:
 - (i) to take possession of the Collateral or any part thereof and to carry on the business of the Assignor;
 - (ii) 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 Assignor;
 - (iii) to further charge the Collateral in priority to the Security Interest as security for money so borrowed; and
 - (iv) 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 be deemed to act as agent or agents for the Assignor and the Lender shall not be responsible for the actions of such agent or agents.
- (c) In addition, the Lender may enter upon and lease or sell the whole or any part or parts of the Collateral and any such sale may be made hereunder by public auction, by public tender or by private contract, with or without notice, advertising or any other formality, all of which are hereby waived by the Assignor, and 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 Lender in its sole discretion may seem advantageous and such sale may take place whether or not the Lender has taken such possession of such Collateral.

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

G. Rights of the Lender

- 12. All payments made in respect of the Indebtedness and money realized from any securities held therefor may be applied on such part or parts of the Indebtedness as the Lender may see fit and the Lender shall at all times and from time to time have the right to change any appropriation of any money received by it and to re-apply the same on any other part or parts of the Indebtedness as the Lender may see fit, notwithstanding any previous application by whomsoever made.
- 13. The Assignor grants to the Lender the right to set off against any and all accounts, credits or balances maintained by it with the Lender, the aggregate amount of any of the Indebtedness when the same shall become due and payable whether at maturity, upon acceleration of maturity thereof or otherwise.
- 14. The Lender, without exonerating in whole or in part the Assignor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from and may otherwise deal with the Assignor and all other persons and securities as the Lender may see fit.
- 15. The Lender may assign, transfer and deliver to any transferee any of the Indebtedness or any security or any documents or instruments held by the Lender in respect thereof provided that no such assignment, transfer or delivery shall release the Assignor from any of the Indebtedness; and thereafter the Lender shall be fully discharged from all responsibility with respect to the Indebtedness and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Lender under such security, documents or instruments but the Lender shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Assignor shall not assign any of its rights or obligations hereunder without the prior written consent of the Lender.

H. Miscellaneous

- 16. This General Security Agreement is in addition to, not in substitution for and shall not be merged in any other agreement, security, document or instrument now or hereafter held by the Lender or existing at law in equity or by statute.
- 17. Nothing herein shall obligate the Lender 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 of the Assignor to the Lender.
- 18. This General Security Agreement shall be binding upon the Assignor and its heirs, legatees, trustees, executors, administrators, successors and assigns including any successor by reason of amalgamation of or any other change in the Assignor and shall enure to the benefit of the Lender and its successors and assigns.
- 19. In construing this General Security Agreement, terms herein shall have the same meaning as defined in the PPSA, as hereinafter defined, unless the context otherwise requires. Words importing gender shall include all genders. Words importing the singular number shall include the plural and vice versa.
- 20. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 21. The headings in this General Security Agreement are included herein for convenience of reference only and shall not constitute a part of this General Security Agreement for any other purpose.
- 22. Any notice or statement referred to herein may be delivered, sent by facsimile machine or providing that postal service throughout Canada is fully operative, may be mailed by ordinary prepaid mail to the Assignor at his last address known to the Lender and the Assignor shall be deemed to have received such notice or statement on the day of delivery, if delivered, one business day after transmission and confirmation received if sent by facsimile machine and three business days after mailing, if mailed.
- 23. Where any provision or remedy contained or referred to in this General Security Agreement is prohibited, modified or altered by the laws of any province or territory of Canada which governs that aspect of this General Security Agreement and the provision or remedies may be waived or excluded by the Assignor in whole or in part, the Assignor hereby waives and excludes such provision to the fullest extent permissible by law.
- 24. This General Security Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario as the same may be in effect from time to time including, where applicable, the Personal Property Security Act of that Province (as amended or substituted, the "PPSA"). For the purpose of legal proceedings this General Security Agreement shall be deemed to have been made in the said Province and to be performed there and the courts of that Province shall have jurisdiction over all disputes which may arise under this General Security Agreement and the Assignor hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts, provided always that nothing herein contained shall prevent the Lender from proceeding at this election against the Assignor in the Courts of any other Province, country or jurisdiction.
- 25. The Assignor acknowledges having received a copy of this General Security Agreement.

This General Security Agreement has been duly executed by the Assignor on the 07 day of March, 2024.

2444877 ONTARIO INC.

< Please print >


To be completed by incorporated business

Name: Gurmit Singh

Title: President

Name: _____

Title: _____

X 
Signature

X _____
Signature

I/We have the authority to bind the Corporation

< Please print >

Name: _____

Middle Initial: _____ Date of Birth (day month year): _____ Gender: _____

Address: _____

X

Signature of Witness

X

Signature of Assignor

To be completed
by sole propri-
etor or partners

Name: _____

Middle Initial: _____ Date of Birth (day month year): _____ Gender: _____

Address: _____

X

Signature of Witness

X

Signature of Assignor

Meridian™ Specific Resolution of the Board of Directors of
2444877 ONTARIO INC.

Be it Resolved:

That as security for the existing and future liabilities of the Corporation to Meridian Credit Union Limited (herein "Meridian"), this Corporation executes and delivers to Meridian a General Security Agreement under the Personal Property Security Act, which shall serve as continuing security for all obligations of the Corporation to Meridian, in the form provided by Meridian; and

Any ~~Officer~~ ^{one of} President of the Corporation is/are hereby authorized to execute on behalf of this Corporation, documents of security and all other deeds, documents, instruments, and writings, if any, incidental or to give effect thereto, and to all other things, which they may consider to be necessary, desirable, or useful for fulfilling the Corporation's obligation to Meridian, including affixing the Corporation seal to all documents executed by them.

The undersigned Secretary of the Corporation hereby certifies the foregoing to be a true copy of a Resolution of the Board of Directors of the Corporation, passed at a meeting duly held on the _____ day of March, 2024.

Dated at Toronto this 07 day of March, 2024.

WITNESS the Corporate Seal of the Corporation

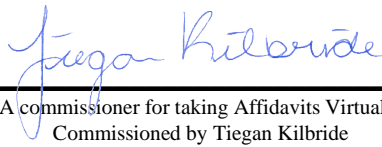
X _____ c/s
Secretary GURMIT SINGH

OR

The undersigned being all if the Directors of _____ hereby sign the foregoing resolution this _____ day of _____, 20____.

X _____
X _____
X _____
X _____
X _____

This is **Exhibit “L”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

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Enquiry Result

File Currency: 02OCT 2024

LAST PAGE



Page 1



Type of Search	Business Debtor						
Search Conducted On	2444877 ONTARIO INC.						
File Currency	02OCT 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	503176338	1	1	1	1	04MAR 2029	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
503176338		001	1		20240304 0932 1590 3135	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	2444877 ONTARIO INC.			
	Address	City	Province	Postal Code
	8-41 MONDAMIN STREET	ST. THOMAS	ON	N5P 2V4

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	MERIDIAN CREDIT UNION LIMITED			
	Address	City	Province	Postal Code
	75 CORPORATE PARK DRIVE	ST. CATHARINES	ON	L2S 3W3

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	NOTICE SECURITY AGREEMENT CONTAINS COVENANT BY DEBTOR NOT TO GRANT SECURITY INTERESTS IN OR TRANSFER TO THIRD PARTIES THE COLLATERAL WITHOUT THE CONSENT OF THE SECURED PARTY

Registering Agent	Registering Agent			
	MCKENZIE LAKE LAWYERS LLP			
Address	City	Province	Postal Code	
300-100 STONE ROAD WEST	GUELPH	ON	N1G 5L3	

LAST PAGE

[BACK TO TOP](#)

LAST PAGE



Page 1



Show All Pages

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This is **Exhibit “M”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride

LSO#P17363, as per LSO corporate statement re COVID-19

Properties

PIN 71035 - 0041 **LT** **Interest/Estate** Fee Simple
Description PT LT 2 S/S MAIN ST MORISON'S SURVEY PALMERSTON; PT LT 3 S/S MAIN ST MORISON'S SURVEY PALMERSTON AS IN RO684393 EXCEPT T/W THEREIN; MINTO
Address 212 MAIN STREET WEST PALMERSTON

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 2444877 ONTARIO INC.
Address for Service 2657 Torrey Pines Way, London, Ontario, N6H 0K5

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 2654231 ONTARIO INC.
Address for Service 40 Old Mill Road, Unit LPH8, Oakville, Ontario, L6J 7W2

Statements

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

Provisions

Principal \$350,492.42 **Currency** CDN
Calculation Period Half-Yearly, Not in Advance
Balance Due Date 2024/09/15
Interest Rate 17%
Payments \$5,964.91
Interest Adjustment Date 2024 03 15
Payment Date 15th, Monthly
First Payment Date 2024 04 15
Last Payment Date 2024 09 15
Standard Charge Terms 200433
Insurance Amount Full insurable value
Guarantor Gurmit Singh

Additional Provisions

See Schedules

Signed By

Ayoub Azam Ali 95 Queen St. S, Unit B acting for Signed 2024 06 24
Mississauga Chargor(s)
L5M 1K7
Tel 905-826-3421
Fax 905-826-5053

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

Submitted By

Ali & Demek Lawyers LLP 95 Queen St. S, Unit B 2024 06 24
Mississauga
L5M 1K7
Tel 905-826-3421

Submitted By

Fax 905-826-5053

Fees/Taxes/Payment

Statutory Registration Fee	\$69.95
Total Paid	\$69.95

File Number

Chargee Client File Number : 24-01029

SCHEDULE - ADDITIONAL PROVISIONS

1. **Non-merger of Commitment.** Any reference in this Charge to the "Commitment" or "Commitment Letter" or "Letter of Commitment" or "Mortgage Agreement" shall mean the mortgage agreement referable to this transaction and any amendments thereto. Notwithstanding the registration of this Charge and the advance of funds hereunder, the terms and provisions of the Commitment shall not merge with this Charge but shall remain binding and effective upon the parties thereto, this Charge shall also secure all amounts owing by the borrower and any guarantor to the lender pursuant to the Commitment, and any default by the borrower and any guarantor regarding any provision of the Commitment shall constitute a default under this Charge. If there is any inconsistency between the terms of this Charge and the terms of the Commitment, the Commitment shall prevail.
2. **Construction Liens.** Upon the registration of any construction lien against title to the charged property that is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.
3. **Assignment.** The Charge may, in the Chargee's absolute discretion and without the consent of the Chargor, be assigned by the Chargee from time to time, in whole or in part, to one or more persons. The Chargee may disclose to assignees or to potential assignees or others, in connection with any assignment, such information concerning the Chargor as the Chargee may consider appropriate in connection therewith; and the Chargor expressly consents to such disclosure.
4. **Due on Sale.** In the event of the Chargor selling, transferring, or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable. This restriction shall not prevent the sale of dwelling units to bona fide home purchasers.
5. **Discharge.** The Chargee shall have a reasonable time after request by the Chargor to prepare the payout statement and attend to registration of a Discharge of Charge. All funds received for payment of the Charge after 2:00 p.m. local time is deemed to be received on the next business day. If the mortgage loan is secured by Charges registered on more than one property and it is paid out in accordance with the payout statement, Discharges of each Charge will be registered.
6. **Closed Mortgage.** This is a closed mortgage. If it is paid out prior to the Maturity Date whether it is in good standing or in default and whether the payout is voluntary by the Chargor or from mortgage enforcement proceedings, the Chargor shall pay the Chargee the balance of the mortgage payments for principal and interest that was prepaid for the term. This constitutes a prepayment of future interest on the mortgage.
7. **Fixed Term.** This mortgage is for a fixed term. The Chargor must pay out the mortgage by the Maturity Date.

Borrowers' initials _____

SCHEDULE - ADMINISTRATION AND SERVICING FEES

The following charges are pre-estimates of the Chargee's actual costs for administering and servicing the mortgage calculated at time the Commitment was entered into.

Default Administration Fees: (a) \$350 for each demand for rectification made following default (including for missed or dishonoured payment); (b) \$1,500 for instructing and assisting counsel and other agents to issue a notice of sale in the event of default; and (c) \$2,000 for instructing and assisting counsel and other agents to issue a statement of claim in the event of default.

Discharge Administration Fee: \$600 for instructing and assisting counsel on the execution of discharge documents following each request by you or someone on your behalf.

Mortgage Statement Fee: \$400 for instructing and assisting counsel on each mortgage statement requested by you or someone on your behalf.

Verification Fee.: \$350 to verify the status of your home insurance policy, property tax account, prior mortgage account, or common expense account, when proof of payment is not provided upon request. In the event of arrears, \$500 for paying on your behalf home insurance premium, common expenses, property taxes, or prior mortgage.

Bankruptcy Administration Fee: \$500 for processing bankruptcy or consumer proposal documents including without limitation filing proof of claim and proof of security with the licensed insolvency trustee.

Inspection Fee: \$200 for each inspection of the property following default or to preserve the security herein charged plus mileage at the rate of \$0.5 per km.


Property Management Fee: \$100 per day for protecting and managing our security in the event we are in possession of it.

Renewal Fee: \$500 for renewal of the mortgage at the end of the mortgage term.

Legal and agency costs, and other out-of-pocket expenses are in addition to the fees stated herein.

Borrowers' initials _____

This is **Exhibit “N”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

SHERIFF OF/ SHÉRIF DE: COUNTY OF WELLINGTON (GUELPH)**CERTIFICATE #/ N° DE CERTIFICAT:** 50447545-1586424B**DATE OF CERTIFICATE/ DATE DU CERTIFICAT:** 2024-NOV-18 / 2024-NOV.-18**SHERIFF'S STATEMENT**

THIS CERTIFIES THAT THERE ARE NO ACTIVE WRITS OF EXECUTION, ORDERS OR CERTIFICATES OF LIEN FILED WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT* AT THE TIME OF SEARCHING AGAINST THE REAL AND PERSONAL PROPERTY OF:

DÉCLARATION DU SHÉRIF

CE CERTIFICAT ATTESTE QU'IL N'Y A AUCUNE ORDONNANCE ACTIVE OU AUCUN BREF D'EXÉCUTION FORCÉE OU CERTIFICAT DE PRIVILÈGE ACTIF DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA *LOI SUR L'EXÉCUTION FORCÉE* AU MOMENT DE LA RECHERCHE VISANT LES BIENS MEUBLES ET IMMEUBLES DE :

NAME SEARCHED / NOM RECHERCHÉ

#	PERSON OR COMPANY / PERSONNE OU SOCIÉTÉ	NAME OR SURNAME, GIVEN NAME(S) / NOM OU NOM DE FAMILLE, PRÉNOM(S)
1.	COMPANY / SOCIÉTÉ	2444877 ONTARIO INC.

CAUTION TO PARTY REQUESTING SEARCH:

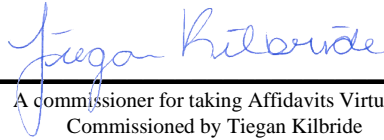
1. IT IS THE RESPONSIBILITY OF THE REQUESTING PARTY TO ENSURE THAT THE NAME SEARCHED IS CORRECT.
2. BY VIRTUE OF THIS CERTIFICATE, THE SHERIFF IS ASSURING THAT THIS NAME WILL REMAIN CLEAR UNTIL THE END OF CLOSE OF THIS BUSINESS DATE, UNLESS THE SHERIFF IS DIRECTED OTHERWISE UNDER AN ORDER OF THE COURT.

AVERTISSEMENT À LA PARTIE QUI DEMANDE LA RECHERCHE :

1. IL INCOMBE À LA PARTIE QUI DEMANDE LA RECHERCHE DE S'ASSURER QUE LE NOM RECHERCHÉ EST EXACT.
2. EN VERTU DU PRÉSENT CERTIFICAT, LE SHÉRIF ASSURE QUE CE NOM DEMEURE LIBRE JUSQU' À LA FIN DE CETTE JOURNÉE DE TRAVAIL, À MOINS DE RECEVOIR DES DIRECTIVES CONTRAIRES AUX TERMES D'UNE ORDONNANCE DU TRIBUNAL.

CHARGE FOR THIS CERTIFICATE/ FRAIS POUR CE CERTIFICAT: CA\$13.00

This is **Exhibit “O”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024

A handwritten signature in blue ink that reads "Tiegan Kilbride". The signature is written in a cursive style with a horizontal line underneath it.

A commissioner for taking Affidavits Virtually
Commissioned by Tiegan Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

CERTIFICATE OF TREASURER

Municipal Act, R.S.O. 2001, c. 25, s. 352 (1).

Treasurer's Office:
Town Of Minto
5941 Hwy 89
R R 1
Harriston, Ontario
N0G 1Z0

Cert. #: 2024-0189
File #: 70964
Office Phone: (519) 338-2511
Toll Free:
Assessment Roll Number
23-41-000-013-00500-0000

SPETTER ZEITZ KLAIMAN PROFESSIONAL CORPORATION
TIEGAN KILBRIDE
100 SHEPPARD AVENUE EAST
SUITE 850
TORONTO ON M2N 6N5

Mortgage Company None
Mortgage Number
Assessed Owners
2444877 ONT INC
113 INKERMAN ST
UNIT 109
ST THOMAS ON N5P 3G7

Statement showing arrears of taxes upon the following lands:

Assessed Description	Tax Arrears	Pen/Int Arrears	Total Arrears	Year
212 MAIN ST W	6,058.05	161.46	6,219.51	2024
PT LOT 2 PT LOT 3	0.00	0.00	0.00	2023
	0.00	0.00	0.00	2022
	0.00	0.00	0.00	2021 and Prior
Frontage: 66.10 Acreage: 0.00 Depth: 70.00	6,058.05	161.46	6,219.51	
C T NS 576,200	The total taxes levied on the above lands for the year 2024 were: \$23,687.05			
M T EP 303,800	Total amount paid to date (inclusive of amounts added to taxes for collection): \$16,446.96			

* Other outstanding amounts not included above:

0301300501 [Utility - Palmerston]	1,548.95
6011170703 [General Receivables]	0.00
6011172585 [General Receivables]	344.97

I hereby certify that the above statement shows all arrears of taxes against the above lands, and proceedings have not been commenced under the Municipal Act S.O. 2001 Chapter 25 Section 373 (1).

Date: NOV 18,2024 Fee: 40.00 Authorized By: _____

NOTE: Penalty and/or interest levied on the outstanding principal is 1.25% levied on the first day of default of payment and on the first day of each month thereafter until paid.

<u>CURRENT LEVY</u>		<u>RECEIVABLES</u>	
TYPE	AMOUNT	TYPE	AMOUNT
INTERIM TAX BILL	11,572.00	TOTAL CURRENT OWING	6,058.05
FINAL TAX BILL	12,115.05	TOTAL ARREARS OWING	0.00
*SUPP/OMIT	0.00	ARREARS INTEREST OWING	0.00
*WRITE OFF	0.00	CURRENT PENALTY OWING	161.46
*ARB	0.00	TOTAL OWING ON ACCOUNT	6,219.51
TOTAL LEVY	23,687.05	TOTAL NOT YET DUE	6,057.00
TOTAL MISCELLANEOUS CHARGES	0.00		
		<u>INSTALMENTS DUE</u>	
		2024-11-27	6.057.00
<u>LOCAL IMPROVEMENTS AND SPECIAL CHARGES</u>			
<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
	<u>EXPIRY</u>		<u>EXPIRY</u>

Town of Minto, 5941 Hwy 89,
RR 1, Harriston, ON N0G 1Z0

Errors & Omissions Excepted. ** Indicate supplemental assessments billed in the current year.

This is **Exhibit “P”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

Meridian Credit Union Limited

Interim Statement

2444877 Ontario Inc.
 6985 DAVAND Dr Unit 17
 MISSISSAUGA, ON, Canada
 L5T 1Y7

Branch: Speedvale
 Branch Phone #: (519) 822-1072
 Date Range: 01Jun2024 - 18Nov2024
 Member #: 102875960

Product: Installment Loan - Business / AGRI - 1 - CAD
 Approved Amount: 2,511,500.00
 Payment Amount: \$17,994.00
 Current Rate: 6.0000%
 Term Length: 4yrs

DATE	DESCRIPTION	INTEREST	PRINCIPAL	PROPERTY TAX	BALANCE
31May2024	Balance Forward				\$0.00
18Jun2024	Loan Advance		-\$2,511,500.00		-\$2,511,500.00
07Aug2024	Transfer In from 102875960 cheq	-\$12,385.48	\$5,608.52		-\$2,505,891.48

This is **Exhibit “Q”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

Beattie, Ramona

From: Gurmit Singh <gurmittoor@gmail.com>
Sent: Tuesday, October 22, 2024 10:22 AM
To: Beattie, Ramona
Subject: Re: Meridian contact going Forward

Follow Up Flag: Follow up
Flag Status: Flagged

Caution: This Message Is From an Unknown Sender

You have not previously corresponded with this sender.

Hi Ramona

Sorry for getting back to you. Can we set up call for Thursday or Monday. Yes, only one residential tenant is still there and one commercial tenant, I am focused on re-rented back the building asap.

If you have any questions, please don't hesitate to contact me at 226-386-1219, via email at gurmittoor@gmail.com.

Kind regards

Have a wonderful Day!

Gurmit Singh, MBA
Cell: 226-386-1219
[Email:gurmittoor@gmail.com](mailto:gurmittoor@gmail.com)

Click [here](#) to schedule a meeting with me.

NOTICE OF CONFIDENTIALITY

This communication including any information transmitted with it is intended only for the use of the addressees and is confidential. If you are not an intended recipient or responsible for delivering the message to an intended recipient, any review, disclosure, conversion to hard copy, dissemination, reproduction or other use of any part of this communication is strictly prohibited, as is the taking or omitting of any action in reliance upon this communication.

If you receive this communication in error or without authorization please notify us immediately by return e-mail or otherwise and permanently delete the entire communication from any computer, disk drive, or other storage medium.

On Mon, Oct 21, 2024 at 2:46 PM Beattie, Ramona <Ramona.Beattie@meridiancu.ca> wrote:

Hello Gurmit,

I tried calling and texting you on Friday.

Please let me know when we can have a conversation – I don't 100% understand your e-mail.

Have you lost ALL tenants except one?

My working hours may be different from yours. Please do not feel obligated to take action on this email outside your normal working hours.

Ramona Beattie
Commercial Credit Specialist
Meridian™

[75 Corporate Park Drive](#)
[St. Catharines, Ontario, L2S 3W3](#)

MOBILE (519) 835-4735

Confidential

From: Beattie, Ramona
Sent: Thursday, October 17, 2024 12:00 PM
To: Gurmit Singh <gurmittoor@gmail.com>
Subject: RE: Meridian contact going Forward

Hello Gurmit,

Let me know when we can have a video call to discuss your plan for the property.

I am free tomorrow 9am-4pm, or Monday at 9am, or 2pm.

Thanks,



My working hours may be different from yours. Please do not feel obligated to take action on this email outside your normal working hours.

Ramona Beattie
Commercial Credit Specialist
Meridian™

[75 Corporate Park Drive](#)
[St. Catharines, Ontario, L2S 3W3](#)

MOBILE (519) 835-4735

From: Gurmit Singh <gurmittoor@gmail.com>

Sent: Thursday, October 17, 2024 11:39 AM

To: Beattie, Ramona <Ramona.Beattie@meridiancu.ca>

Subject: Re: Meridian contact going Forward

Hi Ramona

I am just back and I know we two months behind because we have all tenants except one. I have talked with second mortgage to resist the property for lease and sale. I am also working on refinancing other properties to get funds to bring your mortgage up to date.

Please see if we can work out a solution so that have the time

If you have any questions, please don't hesitate to contact me at 226-386-1219, via email at gurmittoor@gmail.com.

Kind regards

Have a wonderful Day!

Gurmit Singh, MBA

Cell: 226-386-1219

[Email:gurmittoor@gmail.com](mailto:gurmittoor@gmail.com)

This is **Exhibit “R”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19



Corporation of the Town of Minto

5941 Highway #89, R.R. #1

Harriston, Ontario

N0G 1Z0

Phone: 519-338-2511

Fax: 519-338-2005

ORDER TO COMPLY

August 08, 2024

2444877 Ontario Inc.
C/O Gurmit Singh
113 Inkerman St, Unit 109
St. Thomas, ON
N5P 3G7

Meridian Credit Union Limited
75 Corporate Park Drive
St. Catharines, ON
L2S 3W3

2654231 Ontario Inc.
C/O Angela Rocha, Secretary/Treasurer
40 Old Mill Road, Lph #8
Oakville, ON
L6J 7W2

2654231 Ontario Inc.
C/O Carlyle Rocha, President
40 Old Mill Road, Lph #8
Oakville, ON
L6J 7W2

Sir/Madam;

An inspection of your property at 212 Main Street West, former Town of Palmerston, Town of Minto was under taken on July 31, 2024. During the inspection, it was documented that numerous contraventions of the Town of Minto's Property Standards 02-55 are occurring.

The Town of Minto's Property Standards By-Law 02-55 states:

"Part 2, Section 1:

All repairs and maintenance of property shall be carried out with suitable and sufficient materials and in a manner accepted as good workmanship within the trades concerned. All new construction or repairs shall conform to the Ontario Building Code, Ontario Fire Code and the Fire Prevention and Protection Act where applicable."

"Part 2, Section 11:

Every building, dwelling, and dwelling unit shall be provided with a sufficient number of suitable receptacles to contain all garbage, refuse and ashes that may accumulate on the property between the regularly designated collection days, Such receptacles shall be constructed of watertight material, provided with a tight fitting cover, and shall be maintained in a clean and odour free condition at all times."

"Part 2, Section 12:

All garbage, refuse and ashes shall be promptly placed in a suitable container and made available for removal in accordance with the municipal garbage collection by-law where applicable."

"Part 3, Section 1:

Every tenant, or occupant or lessee of a residential property shall maintain the property or part thereof and the land which they occupy or control, in a clean, sanitary and safe condition and shall dispose of garbage and debris on a regular basis, in accordance with municipal by-laws."

"Part 3, Section 24:

systems need not be provided where a public corridor or exit serves not more than four (4) dwelling units or individual leased sleeping rooms.”

“Part 3, Section 56:

Owners of residential buildings or any person or persons acting on behalf of such owner shall not disconnect or cause to be disconnected any service or utility supplying heat, electricity, gas, refrigeration or water to any residential unit or building occupied by a tenant or lessee except for such reasonable period of time as may be necessary for the purpose of repairing, replacing or otherwise altering said service or utility.”

This letter is an **ORDER TO COMPLY** pursuant to Section 15.2- (2) of the Building Code Act, S.O. 1992, c.23. Compliance to this ORDER must be obtained by **August 28, 2024**.

To achieve compliance, you are hereby ordered to:

- remove all garage being stored within the common hallways of the building;
- restore the electrical service to all occupied portions of the property;
- the Fire Alarm system is to be inspected and certified by a licensed fire alarm technician in accordance with the Fire Prevention and Protection Act;
- any repairs required to certify the Fire Alarms system are to be completed by a licensed fire alarm technician in accordance with the Fire Prevention and Protection Act;
- a licensed electrician is to inspect and certify the functionality of all of the emergency lighting fixtures within the building; and,
- the light fixtures within the common hallways are to be repaired.

If compliance has not been obtained on or prior to the date stated in the Order To Comply, sub clause 15.4-(1) gives the authority to the municipality to cause the work to be completed at the owner’s expense or to lay charges under the Building Code Act.

Section 36 of the Building Code Act reads:

36.-(1)

Offences. A person is guilty of an offence if the person,

- (b) fails to comply with an order, direction or other requirement made under this Act; or
- (c) contravenes this Act, the regulations, a by-law passed under section 7 or a condition imposed under section 9.

36.-(4)

Corporations. If a Corporation is convicted of an offence, the maximum penalty that may imposed is \$500,000 for a first offence is liable to a fine of not more than \$50,000 for a first offence and \$1,500,000 for a subsequent offence and not as provided in subsection (3).

36.-(6)

Continuing Offence. Every person who fails to comply with an order made by a chief building official under section 14(1) or clause 15.9(6)(a) is guilty of an offence and on conviction, in addition to the penalties mentioned in subsections (3) and (4), is liable to a fine of not more than \$10,000 per day for every day the offence continues after the time given for complying with the order has expired.

The final date to appeal this Order to the Property Standards Committee is **August 27, 2024**.

Act accordingly;

The Corporation of the Town of Minto
5941 Hwy 89
Harriston, ON
(519) 338-2511

Unsafe Order

Pursuant to Subsection 15.9 of the *Building Code Act, 1992*

Order Number: 0003-2024

Date Order issued: August 08, 2024

Address to which Order applies:
212 Main Street West, former Town of Palmerston,
Town of Minto

Application/Permit Number: N/A

Order issued to (name and address):

1. 2444877 Ontario Inc.
C/O Gurmit Sigh
113 Inkerman St, Unit 109
St. Thomas, ON
N5P 3G7

3. 2654231 Ontario Inc.
C/O Carlyle Rocha, President
40 Old Mill Road, Lph #8
Oakville, ON
L6J 7W2

2. 2654231 Ontario Inc.
C/O Angela Rocha, Secretary/Treasurer
40 Old Mill Road, Lph #8
Oakville, ON
L6J 7W2

4. Meridian Credit Union Limited
75 Corporate Park Drive
St. Catherines, ON
L2S 3W3

The inspection on or about August 01, 2024 at the above-referenced address found the following reason(s) why the building is unsafe and required remedial steps to render the building safe.

You are hereby ordered to correct the item(s) listed below immediately, by the dates listed below, or by August 28, 2024.

You are hereby ordered to undertake the remedial steps listed below to render the building safe:

Item	Details
1.	A Licensed Fire Alarm Technician is to repair the defective components of the Fire Alarm system and is to certify its functionality to the Town of Minto.
2.	A Licensed Electrician is inspect and certify the functionality of the Emergency Lights throughout the Building.

Order issued by:

Name: Terry Kuipers, C.B.C.O

BCIN: 18466

Signature 

Telephone no.: (519) 338-2511 x228

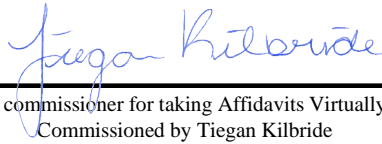
Contact name (optional) _____

Contact tel. number (optional) _____

Note:

- It is illegal to obstruct the visibility of a posted Order. It is also illegal to remove a posted Order unless authorized by an inspector or Registered Code Agency. [*Building Code Act, 1992 s. 20*]
- An Order may be appealed to the Superior Court of Justice. [*Building Code Act, 1992 s. 25*]. It may also be appealed to the Building Code Commission concerning the sufficiency of compliance with the technical requirements of the Building Code. [*Building Code Act, 1992 s. 24*]
- Failure to comply with this Order is an offence which could result in a fine. [*Building Code Act, 1992 s.36*]
- Failure to comply with this Order may result in an Order prohibiting the use or occupancy of the building
- Failure to comply with this Order may result in the building being demolished, renovated, or repaired to remove the unsafe condition (at the owner's expense)

This is **Exhibit “S”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

MORTGAGE STATEMENT FOR DISCHARGE PURPOSES

TO: 2444877 Ontario Inc.
(the "**Mortgagor**")

AND TO: Javairia Junaid

RE: The Mortgagor mortgage to 2654231 Ontario Inc. (the "**Mortgagee**")
Discharge of Charge registered as Inst. WC725256 on March 20, 2024 (the "**Mortgage**")
On 212 Main St W Palmerston Ontario (the "**Property**")
Calculated to June 18, 2024 (the "**Closing Date**")
Our File no. 24-01029

Principal balance at June 15, 2024	\$	350,492.42
Interest on principal to Closing Date	\$	489.73
Payment arrears (Apr 15 24, May 15 24, Jun 15 24)	\$	17,894.73
Servicing fee – Statement (1)	\$	400.00
Servicing fee – Discharge Administration	\$	600.00
Legal costs – Commitment	\$	28,430.00
Legal costs – Discharge (incl. HST)	\$	5,593.50
Teraview registration charge	\$	83.11
TOTAL	\$	403,983.49
Less Deferred¹	\$	363,983.49
Balance Due	\$	40,000.00

E&O excepted

DATED, June 18, 2024

This statement expires after 5:00 p.m. on June 18, 2024

Prepared by:

Ali & Demek Lawyers LLP
Barristers & Solicitors
Streetsville Law Office
95 Queen Street South, Unit B
Mississauga, Ontario
L5M 1K7
Tel (905) 826-3421
Fax (905) 826-5053
Email aa@streetsvillelaw.com
(the "**Mortgagee's Lawyer**")

¹ The Charge registered as Instrument No. CT239632 on March 20, 2024 on 109-113 Inkerman Street, St. Thomas, Ontario as additional security for repayment of the mortgage loan is not being discharged, and Gurmit Singh remains as guarantor of the indebtedness.

This is **Exhibit “T”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19



**St. Catharines
Business Credit Department**

75 Corporate Park Drive
St. Catharines, ON L2S 3W3

Telephone 519-835-4735 Facsimile 905-988-4003

STATEMENT OF BALANCE FOR DISCHARGE PURPOSES

<p>15-Oct-24</p> <p>Spetter Zeitz Klaiman PC 100 Sheppard Ave. E., suite #850 Toronto, ON M2N 6N5</p> <p>Attn: Jason Spetter</p> <p>Prepared by: Ramona Beattie MERIDIAN CREDIT UNION LIMITED Commercial Credit Specialist ramona.beattie@meridiancu.ca</p>	<p>NAME OF MEMBER: 24444877 Ontario Inc.</p> <p>PROPERTY DESCRIPTION: Pt Lt 2 S/S Main St Morison's Survey Palmerston; Pt Lt 3 S/S Main St Morison's Survey Palmerston as in RO684393 except T/W therein; Minto</p> <p>CIVIC ADDRESS: 212 Main St. W., Palmerston, Ontario</p> <p>MEMBER REFERENCE #: 102875960</p> <p>INTEREST RATE: 6.00%</p> <p>REGISTRATION NO.: WC732223 and WC732224</p> <p>STATEMENT EFFECTIVE: 15-Oct-24</p>
--	--

Loan-1: Demand Loan

Principal Balance Outstanding as at:	15-Oct-24	\$	2,505,891.48
Interest from 7-Aug-24 to:	14-Oct-24	\$	36,679.97
Prepayment Penalty		\$	73,707.54
Total Amount as at:	15-Oct-24	\$	2,616,278.99
PER DIEM 6.00%		\$	411.93
Administrative Fee		\$	300.00
TOTAL INDEBTEDNESS:		\$	2,616,578.99
		\$	411.93

REMARKS: Meridian's Prime Rate is currently 6.45% per annum.
Payment must be received by Meridian not later than 1:00p.m. on the Statement Effective Date.
If funds are not received by 1:00p.m. on the Statement Effective Date, the per diem amount of interest is to be added for each day, from and including the Statement Effective Date.
Error and omissions excepted.
Adjustments will be necessary if any entries are reversed or if sundry items are paid.

Specific Instructions (click all that apply):

- SOLICITOR will be responsible for the preparation and registration of discharge. Please provide the A&D at payout. Once registered, please provide Meridian with a copy of the discharge.**
- Meridian will be responsible for the discharge of PPSA Registration No. 2024 0304 0932 1590 3135. A copy will be provided to your office.**
- Meridian will be not be discharging PPSA Registration No. 2024 0304 0932 1590 3135 as it supports other borrowing.**

PAYMENT OPTIONS:

OPTION ONE: Certified cheque or bank draft payable to: Meridian Credit Union Limited. Funds may be delivered to any Meridian Credit Union Branch. Funds to be deposited to GL 1158 Admin Sub 147.

OPTION TWO: Wire funds to Meridian via instructions below. Once funds have been wired to Meridian, please send an email to the address noted above, along with a copy of the wire receipt.

Address of financial institution in Canada (Receiver): SWIFT BIC: CUCXCATTVAN Central 1 Credit Union

**Beneficiary Bank (field 57): Meridian Credit Union
Transit/Routing Number: 62022-837
Address of branch: 75 Corporate Park Drive, St. Catharines, Ontario, L2S 3W3**

**Beneficiary (field 59): Member's Full Name: Meridian-Business Banking Ops. Wire Settlement
Account Number: 010114928411
Address: 75 Corporate Park Drive, St. Catharines, Ontario, L2S 3W3**

Herewith please find our mortgage statement in respect of the above-noted matter. You will note that our statement contains the "E. and O.E." qualification, which is customary in the financial services industry. While Meridian makes every reasonable attempt to ensure that its mortgage statements are accurate, errors are possible. Notwithstanding your effort to raise an estoppel against Meridian, please be advised that this statement is delivered to you only on the basis that Meridian expressly reserves the right to refuse to deliver a discharge of the mortgage until such time as all moneys due under the mortgage have been paid.

This is **Exhibit “U”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride

LSO#P17363, as per LSO corporate statement re COVID-19

October 25, 2024

BY REGISTERED MAIL AND BY REGULAR MAIL

Personal & Confidential

2444877 Ontario Inc.
1828 Blue Heron Drive, #35
London, Ontario N6H 0B7

Attention: Gurmit Singh

2444877 Ontario Inc.
2657 Torrey Pines Way
London, Ontario N6H 0K5

Attention: Gurmit Singh

2444877 Ontario Inc.
8-41 Mondamin Street
St. Thomas, Ontario N5P 2V4

Attention: Gurmit Singh

2444877 Ontario Inc.
212 Main Street West
Palmerston, Ontario N0G 2P0

Attention: Gurmit Singh

**Re: 2444877 Ontario Inc. (the “Member”) and
Meridian Credit Union Limited (“Meridian”)**

We are lawyers for Meridian with respect to this matter. The Member is indebted to Meridian pursuant to Small Business Credit Agreement dated December 13, 2023, provided by Meridian to the Member as hereinafter indicated:

Loan No. 1: Demand Loan

Principal amount outstanding as of the close of business October 14, 2024	\$2,505,891.48	
Accrued and unpaid interest for the period up to and including October 14, 2024	\$36,679.97	
Prepayment Penalty	\$73,707.54	
Administrative Fee	\$300.00	
Sub-Total:		\$2,616,578.99

Interest continuing to accrue based on the fixed rate of interest of 6.00% per annum at \$411.93 per diem based on the current principal amount outstanding until the date of receipt of payment or judgment.

TOTAL:

\$2,616,578.99

As you are in default of your payment obligations to and/or your covenants with Meridian, as authorized agents of Meridian, we hereby demand repayment in full of the foregoing indebtedness totalling **\$2,616,578.99** with respect to the said facility, plus all legal fees and disbursements incurred by Meridian due to the said default, up to and including the date of payment. Please be advised if we are not in receipt of payment in full of the foregoing amount, including interest accrued up to and including the date of receipt of payment on or before the close of business November 11, 2024 (the "Demand Date") we have instructions from Meridian to commence whatever legal proceedings we deem necessary in order to recover the full amount of the indebtedness due and owing by the Member to Meridian and to enforce all security held by Meridian for the obligations of the Member to Meridian as contemplated in the enclosed notice of intention to enforce security.

Please be advised that we are simultaneously making demand upon the guarantor of the obligations of the Member to Meridian.

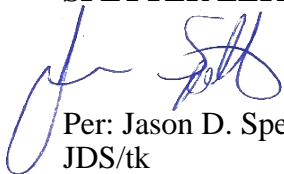
Please be advised the time frame indicated in this demand is without prejudice to Meridian terminating its relationship with the Member if at any time between the date hereof and the Demand Date the Member commits an event of default pursuant to any agreement entered into by the Member with Meridian or the Member conducts itself in such a manner as to cause Meridian to feel insecure with respect to the security position held by Meridian for the indebtedness due and owing by the Member to Meridian.

If the foregoing amounts fluctuate for any reason whatsoever between the date hereof and the date of payment of the indebtedness of the Member to Meridian, please consider this demand effective with respect to whatever the balance of principal plus accrued and unpaid interest may be at any time between the date hereof and the Demand Date and if not paid on or before the Demand Date, be considered a demand for the balance due and owing as of the Demand Date.

Please find enclosed a notice of intention to enforce security being served upon you pursuant to the provisions of the *Bankruptcy and Insolvency Act*.

Yours very truly,

SPETTER ZEITZ KLAIMAN PC



Per: Jason D. Spetter
JDS/tk
Encl.

c. client
c. guarantor

FORM 86
NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1))

TO: **2444877 ONTARIO INC.**, an insolvent person

TAKE NOTICE THAT:

1. **MERIDIAN CREDIT UNION LIMITED**, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

- i.) All assets including personal property, accounts receivable, inventory, equipment, goodwill and intangibles of the insolvent person wherever located including those assets located at 8-41 Mondamin Street, St. Thomas, Ontario N5P 2V4 and/or 212 Main Street West, Palmerston, Ontario N0G 2P0.
- ii.) All of your right, title and interest in real property municipally known as 212 Main Street West, Palmerston, Ontario N0G 2P0 bearing legal description:

PT LT 2 S/S MAIN ST MORISON'S SURVEY PALMERSTON; PT LT 3 S/S
MAIN ST MORISON'S SURVEY PALMERSTON AS IN RO684393 EXCEPT
T/W THEREIN; MINTO

PIN NO. 71035-0041 (LT)

2. The security that is to be enforced is comprised of the following:

- i.) a general security agreement executed and delivered by the insolvent person in favour of the Meridian Credit Union Limited dated March 7, 2024.
- ii.) a charge/mortgage executed and delivered by the insolvent person in favour of Meridian Credit Union Limited dated March 7, 2024, registered in the Land Registry Office No. 61 for Wellington as Instrument No. WC732223.

3. The total amount of the indebtedness secured by the security is \$2,616,578.99, as of October 14, 2024, including principal and interest as of the date hereof together with interest and costs continuing to accrue.

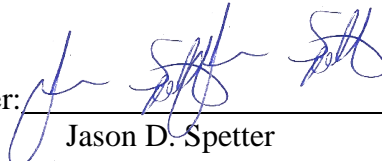
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED as of the 25th day of October, 2024.

MERIDIAN CREDIT UNION LIMITED

by its authorized agent herein

SPETTER ZEITZ KLAIMAN PC

Per: 

Jason D. Spetter

October 25, 2024

BY REGISTERED MAIL AND BY REGULAR MAIL

Personal & Confidential

Gurmit Singh

1828 Blue Heron Drive, #35
London, Ontario N6H 0B7

Gurmit Singh

2657 Torrey Pines Way
London, Ontario N6G 0K5

**Re: 2444877 Ontario Inc. (the “Member”) and
Meridian Credit Union Limited (“Meridian”)**

We are lawyers for Meridian and confirm that you have guaranteed the obligations of the Member to Meridian pursuant to an unlimited guarantee dated March 7, 2024.

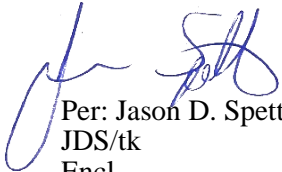
Please find enclosed a copy of a letter demanding repayment from the Member of its indebtedness to Meridian and a copy of the Notice of Intention to Enforce Security which was served upon the Member.

Pursuant to the guarantee executed by you, we hereby demand payment from you of \$2,616,578.99 on account of the monies due and owing by the Member to Meridian, plus interest accruing thereon, pursuant to the terms of the guarantee at Meridian’s fixed rate of interest 6.00% per annum, calculated from the date hereof until the date of receipt of payment or judgment.

Please be advised if we are not in receipt of payment in full of the said indebtedness of the Member to Meridian as demanded from the Member or payment from you of your obligations pursuant to the said guarantee on or before the close of business November 11, 2024 we have instructions to commence whatever legal proceedings we deem necessary in order to recover the said monies demanded herein, plus interest thereon from the date of demand from you as a guarantor of the obligations of the Member to Meridian, including enforcing all security provided by you to Meridian.

Yours very truly,

SPETTER ZEITZ KLAIMAN PC



Per: Jason D. Spetter
JDS/tk
Encl.
c. client

This is **Exhibit “V”** referred to
in the Affidavit of Ramune Beattie
Sworn before me this 2
Day of December, 2024



A commissioner for taking Affidavits Virtually
Commissioned by Tiegán Kilbride
LSO#P17363, as per LSO corporate statement re COVID-19

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

MERIDIAN CREDIT UNION LIMITED

Applicant

-and-

2444877 ONTARIO INC.

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 TO ACT AS RECEIVER

MSI SPERGEL INC. hereby consents to act as Receiver of the assets, undertakings, and properties of 2444877 Ontario Inc. as described in the form of the draft Order included with the Applicant's Application Record with such amendments as may be ordered by the Court.

Dated at Hamilton on December 20th, 2024

MSI SPERGEL INC.

Per: 

Name: T. Pringle, LIT

I have authority to bind the corporation.

MERIDIAN CREDIT UNION LIMITED
Applicant

-and-

2444877 ONTARIO INC.
Respondent

Court File No.: CV-24-00003695-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
LONDON

AFFIDAVIT OF RAMUNE BEATTIE

SPETTER ZEITZ KLAIMAN PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario M2N 6N5
Tel: 416-789-0652
Fax: 416-789-9015

JASON D. SPETTER
LSO No. 46105S
Email: jspetter@szklaw.ca

IAN KLAIMAN
LSO No. 58955G
Email: iklaiman@szklaw.ca

Lawyers for the Applicant

TAB 3

Revised: January 21, 2014
s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE

~~COMMERCIAL LIST~~

THE HONOURABLE) ~~WEEKDAY~~^{FRIDAY}, THE 13th #
JUSTICE) DAY OF ~~DECEMBER~~^{MONTH}, 20~~24~~^{YR}

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MERIDIAN CREDIT UNION LIMITED~~PLAINTIFF~~¹

Applicant~~Plaintiff~~

- and -

2444877 ONTARIO INC.~~DEFENDANT~~

Respondent~~Defendant~~

ORDER
(appointing Receiver)

THIS APPLICATION MOTION made by the Applicant~~Plaintiff~~² for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MSI SPERGEL INC.~~[RECEIVER'S NAME]~~ as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondent, 2444877 ONTARIO INC.~~[DEBTOR'S NAME]~~ (the "Debtor") acquired for,

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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".

or used in relation to a business carried on by the Debtor, was heard this day at 80 Dundas Street~~330 University Avenue, London~~Toronto, Ontario.

ON READING the affidavit of Ramune Beattie~~[NAME]~~ sworn [DATE] and the Exhibits thereto and on hearing the submissions of counsel for the Applicant~~[NAMES]~~, no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of msi Spergel Inc.~~[RECEIVER'S NAME]~~ to act as the Receiver,

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SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application~~Motion~~ and the Application Record~~Motion~~ is hereby abridged and validated³ so that this application~~motion~~ is properly returnable today and hereby dispenses with further service thereof.

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APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, MSI SPERGEL INC.~~[RECEIVER'S NAME]~~ is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property"), and including, without limitation, the property municipally known as 212 Main Street West, Palmerston, Ontario, and legally described in Schedule "B" (the "Real Property").

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RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality 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:

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³If 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.

- (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.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 ~~\$200,000.00~~, provided that the aggregate consideration for all such transactions does not exceed ~~\$200,000.00~~; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, for section 31 of the Ontario *Mortgages*

~~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.~~

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, including, without limitation, the Real 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

~~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.~~

- (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.

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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.

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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

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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 any and all financial institutions, banks, and their affiliates, shall produce to the Receiver any and all Records, banking documents related to the Debtor, any transaction supporting document and any of the Debtor's records in its possession or control, having regard to the limitations of the financial institutions' retention and storage policies and practices, notwithstanding that any disclosure may include "personal property" about third parties as defined in the *Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5, as amended.*

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~~7.8.~~ **THIS -COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

~~8.9.~~ **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.

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NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

~~9.10.~~ **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.

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NO EXERCISE OF RIGHTS OR REMEDIES

~~10.11.~~ **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.

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NO INTERFERENCE WITH THE RECEIVER

~~11.12.~~ **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.

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CONTINUATION OF SERVICES

~~12.13.~~ **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

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the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

~~13.14.~~ **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.

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EMPLOYEES

~~14.15.~~ **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*.

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PIPEDA AND CASL

~~16.~~ **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

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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.

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~~45-17.~~ **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of cause 3(c) of the *Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS)*.

LIMITATION ON ENVIRONMENTAL LIABILITIES

~~46-18.~~ **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

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exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

~~17-19.~~ **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.

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RECEIVER'S ACCOUNTS

~~18-20.~~ **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

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~~19-21.~~ **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.

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~~⁶Note 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".~~

~~20-22.~~ **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.

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FUNDING OF THE RECEIVERSHIP

~~21-23.~~ **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed ~~\$200,000.00~~ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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~~22-24.~~ **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.

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~~23-25.~~ **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

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~~24-26.~~ **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.

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SERVICE AND NOTICE

~~25-27.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<@>’.

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~~26-28.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

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GENERAL

~~27-29.~~ **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.

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~~28-30.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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31. THIS COURT ORDERS that the Receiver is authorized but not required to retain the same law firm to act as legal counsel as the Applicant, to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including, without limitation,

those conferred by this Order, in any matter where there is no conflict arising from that firm's existing and ongoing role as counsel to the Applicant. In respect of any issue where a conflict may exist or arise in respect of the Applicant and the Receiver or a third party, the Receiver shall utilize independent counsel, in which case, the law firm may continue acting as counsel to the Applicant.

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29.32. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30.33. **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.

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31.34. **THIS COURT ORDERS** that the ApplicantPlaintiff shall have its costs of this applicationmotion, up to and including entry and service of this Order, provided for by the terms of the ApplicantPlaintiff's security or, if not so provided by the ApplicantPlaintiff'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.

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

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~~32-36.~~ THIS COURT ORDERS that, notwithstanding Rule 59.05 of the *Rules of Civil Procedure*, this Order is effective from the date it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court in respect of this Order.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~MSI SPERGEL INC.~~~~[RECEIVER'S NAME]~~, the receiver (the "**Receiver**") of the assets, undertakings and properties of 2444877 ONTARIO INC.~~[DEBTOR'S NAME]~~ 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 ~~—CVL—~~ _____, 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.

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2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

MSI SPERGEL INC. [RECEIVER'S NAME],
solely in its capacity
-as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

DOCSTOR: 1771742\8

SCHEDULE "B"

**LEGAL DESCRIPTION OF THE PARCEL OF THE PROPERTY MUNICIPALLY
KNOWN AS 212 MAIN STREET WEST, PALMERSTON, ONTARIO**

PT LT 2 S/S MAIN ST MORISON'S SURVEY PALMERSTON; PT LT 3 S/S MAIN ST
MORISON'S SURVEY PALMERSTON AS IN RO684393 EXCEPT T/W THEREIN; MINTO

TAB 4

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE) FRIDAY, THE 13th
)
JUSTICE) DAY OF DECEMBER, 2024

MERIDIAN CREDIT UNION LIMITED

Applicant

- and -

2444877 ONTARIO INC.

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MSI SPERGEL INC. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondent, 2444877 ONTARIO INC., (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 80 Dundas Street, London, Ontario.

ON READING the affidavit of Ramune Beattie sworn [DATE] and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of msi Spergel Inc. to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated 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, MSI SPERGEL INC. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property"), and including, without limitation, the property municipally known as 212 Main Street West, Palmerston, Ontario, and legally described in Schedule "B" (the "**Real 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 \$200,000.00, provided that the aggregate consideration for all such transactions does not exceed \$200,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, 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, including, without limitation, the Real Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in

that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** any and all financial institutions, banks, and their affiliates, shall produce to the Receiver any and all Records, banking documents related to the Debtor, any transaction supporting document and any of the Debtor's records in its possession or control, having regard to the limitations of the financial institutions' retention and storage policies and practices, notwithstanding that any disclosure may include "personal property" about third parties as defined in the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended.

8. **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

9. **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

10. **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

11. **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

12. **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

13. **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

14. **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

15. **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 AND CASL

16. **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.

17. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements

within the meaning of cause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. **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

19. **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

20. **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.

21. **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 Ontario Superior Court of Justice.

22. **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

23. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. **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.

25. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

26. **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

27. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'.

28. **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

29. **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.

30. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

31. **THIS COURT ORDERS** that the Receiver is authorized but not required to retain the same law firm to act as legal counsel as the Applicant, to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order, in any matter where there is no conflict arising from that firm's existing and ongoing role as counsel to the Applicant. In respect of any issue where a conflict may exist or arise in respect of the Applicant and the Receiver or a third party, the Receiver shall utilize independent counsel, in which case, the law firm may continue acting as counsel to the Applicant.

32. **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.

33. **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.

34. **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.

35. **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.

36. **THIS COURT ORDERS** that, notwithstanding Rule 59.05 of the *Rules of Civil Procedure*, this Order is effective from the date it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellant court in respect of this Order.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MSI SPERGEL INC., the receiver (the "**Receiver**") of the assets, undertakings and properties of 2444877 ONTARIO INC. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the ___ day of _____, 20__ (the "**Order**") made in an action having Court file number CV-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

MSI SPERGEL INC., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

**LEGAL DESCRIPTION OF THE PARCEL OF THE PROPERTY MUNICIPALLY
KNOWN AS 212 MAIN STREET WEST, PALMERSTON, ONTARIO**

PT LT 2 S/S MAIN ST MORISON'S SURVEY PALMERSTON; PT LT 3 S/S MAIN ST
MORISON'S SURVEY PALMERSTON AS IN RO684393 EXCEPT T/W THEREIN; MINTO

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

MERIDIAN CREDIT UNION LIMITED
Applicant

-and-

2444877 ONTARIO INC.
Respondent

Court File No.: CV-24-00003695-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
LONDON

ORDER

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MERIDIAN CREDIT UNION LIMITED
Applicant

-and-

2444877 ONTARIO INC.
Respondent

Court File No.: CV-24-00003695-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
LONDON

APPLICATION RECORD

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