

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CMLS FINANCIAL LTD.

Applicant

and

BRONTE LAKESIDE LTD. and BRONTE LIMITED PARTNERSHIP

Respondents

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

**REPLY APPLICATION RECORD
(Receivership Hearing returnable December 2nd, 2025)**

Dated: November 26th, 2025

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

Timothy R. Dunn (LSO #34249I)
Tel: (416) 597-4880
Email: tdunn@blaney.com

Stephen Gaudreau (LSO #65895M)
Tel: (416) 596-4285
Email: sgaudreau@blaney.com

Lawyers for the Applicant

To: Service List

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

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COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**REPLY AFFIDAVIT OF JEFFREY BURT
(Sworn November 26, 2025)**

I, **JEFFREY BURT**, of the City of Vancouver, in the Province of British Columbia

MAKE OATH AND SAY:

1. I am the Associate Director of Commercial Servicing of CMLS Financial Ltd. (“CMLS”). As a result, I have personal knowledge of the matters to which I hereinafter depose save and except where I refer to matters based on information and belief, in which case I verily believe that information to be true.
2. On November 19, 2025, the Receivership Application was adjourned at the request of the Respondents to December 2, 2025. The Honourable Justice Dietrich ordered a timetable for the hearing. Attached hereto and marked as **Exhibit “A”** is a copy of Justice Dietrich’s Endorsement dated November 19, 2025.

3. I am swearing this reply affidavit in accordance with the timetable and in addition to my affidavit sworn October 31, 2025 (“**October 31 Affidavit**”). Unless otherwise stated, the defined terms in this affidavit are ascribed the same meaning as the defined terms in my October 31 Affidavit.

4. In this affidavit, I will set out additional breaches of the Mortgage that CMLS has discovered since the adjournment.

The Unauthorized Second Mortgage and Undisclosed Litigation

5. On or about November 20, 2025, I was advised by CMLS’ counsel, Stephen Gaudreau, that Alexander Hora, a lawyer at Garfinkle Biderman LLP, contacted Blaneys in the afternoon on November 19, 2025, to inquire about the within Receivership Application on behalf of his client, 2604956 Ontario Inc. (“**260 Ontario Inc.**”), a purported creditor of the Beneficial Owner.

6. Unbeknownst to CMLS, on or about August 15, 2025, 2604956 Ontario Inc. (“**260 Ontario Inc.**”) commenced an action against the Beneficial Owner (the “**Litigation**”), among other parties, seeking, among other things, payment of \$622,005.10 and the registration of an equitable second mortgage against the Bronte Property (the “**Second Mortgage**”) pursuant to a promissory note (“**Promissory Note**”) and commitment letter (“**Commitment Letter**”). Attached hereto and marked as **Exhibit “B”** is a copy of the Statement of Claim.

7. Based on my review of the Statement of Claim, 260 Ontario Inc. purportedly advanced \$590,997.95 to the Beneficial Owner (amongst other parties, including Sarmad Ganni), which was secured by a second mortgage against the Bronte Property.

8. Mr. Hora also sent a copy of the Promissory Note, the Commitment Letter, and the Defendants’ joint Statement of Defence dated October 27, 2025. Attached hereto and marked as

Exhibits “C”, “D”, and “E” are copies of the Promissory Note, the Commitment Letter, and the Statement of Defence, respectively.

9. Of note, the Beneficial Owner at paragraph 10 of the Statement of Defence admits that:¹

Pursuant to the Second Promissory Note, 2604956 Ontario Inc. was given a second mortgage on the Bronte Property. The mortgage was to be held in escrow.

10. The Commitment Letter states:

A mortgage, in second, priority in amount of \$591,129.95 against the title to the Property (the “**Charge**”). For clarity, the Charge shall be registered against title to the property located at **85 Bronte Road, Oakville, Ontario**.

The Charge shall be subject to Standard Charge Terms No. 200033 (the “**SCT**”), together with the additional terms and conditions included in Schedule “A” attached hereto and any other terms and conditions as required or deemed necessary by the Lender or the Lender’s solicitor. The Borrower hereby acknowledges that the SCT is incorporated by reference into the Charge.

11. Based on my personal knowledge, and my discussions with others at CMLS, I verily believe that CMLS was unaware that the Beneficial Owner had granted the Second Mortgage against title to the Bronte Property until Mr. Hora contacted Blaneys on November 19, 2025. CMLS was also unaware that the Litigation had been commenced against the Beneficial Owner with respect to the Second Mortgage.

12. For greater clarity, CMLS never provided written consent for the Second Mortgage.

13. On November 20, 2025, Mr. Gaudreau emailed counsel to the Debtor’s to give notice of the additional defaults and to advise that CMLS would be raising the issue in its reply materials.

¹ Second Promissory Note in the Statement of Defence is a reference to the Promissory Note as that term is defined in this affidavit. The Statement of Claim includes a claim for an unrelated first promissory note given to other parties hence the reference to a “Second Promissory Note”.

Attached hereto and marked as **Exhibit “F”** is a copy of Mr. Gaudreau’s email dated November 20, 2025.

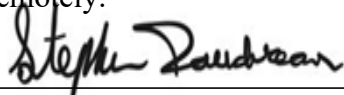
14. I verily believe that the granting of the Second Mortgage without CMLS’ written consent and the failure to disclose the Second Mortgage and the Litigation are additional events of default under the Commitment Letter and Mortgage. It is immaterial that the Second Mortgage was not registered to title to the Bronte Property.

15. This is particularly egregious because neither the Second Mortgage nor the Litigation was disclosed during the Receivership Application, despite the fact that the existence of both is highly relevant and material to CMLS’ position.

16. Moreover, these additional breaches further erodes CMLS’ confidence in the Debtor’s management and casts doubt about whether the Debtor’s management has been forthright and transparent in its dealings.

17. This Affidavit is sworn in support of CMLS’ application for an Order appointing Albert Gelman as Receiver of the Respondents, and for no improper purpose.

SWORN REMOTELY BEFORE ME BY)
Jeffrey Burt at the City of Vancouver, in)
Province of British Columbia, and I being of the)
City of Ottawa, in the Province of Ontario, on)
this 26th day of November 2025, in accordance)
with O. Reg. 431/20 Administering Oath or)
Declaration Remotely.)



A Commissioner for Taking Affidavits
Stephen Gaudreau



Jeffrey Burt (Nov 26, 2025 12:04:54 PST)

Jeffrey Burt

This is Exhibit "A" referred to in the Affidavit of Jeffrey Burt affirmed remotely this 26th day of November 2025.

A handwritten signature in black ink that reads "Stephen Gaudreau". The signature is written in a cursive style with a large initial 'S'.

Commissioner for Taking Affidavits (or as may be)

Stephen Gaudreau



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-25-00753553-0000

DATE: November 19, 2025

NO. ON LIST: 6

TITLE OF PROCEEDING: CMLS FINANCIAL LTD. v. BRONTE LAKESIDE LTD et al

BEFORE: JUSTICE J. DIETRICH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Stephen Gaudreau	CMLS Financial Ltd.	416-596-4285 sgaudreau@blaney.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Sara Erskine	Bronte Lakeside Ltd and Bronte Limited Partnership	416-597-5408 Sara@be-law.ca

Others in Attendance:

Name of Person Appearing	Name of Party	Contact Info
Andrew Francis	Brooklyn Contracting (Lien Claimant)	647-243-2334 afrancis@tcwalkerlawyers.com
Lauren Tzogas	Trak International (Lien Claimant)	416-746-5163 ltzogas@LN.Law
Nabiel Dawood	TM Platforms Inc. (Lien Claimant)	519-593-3232 ndawood@millერთhompson.com

ENDORSEMENT OF JUSTICE J. DIETRICH:

- [1] CMLS Financial Ltd. (“CMLS”) seeks an order appointing Albert Gelman Inc. as receiver (the Receiver) of the property of Bronte Lakeside Ltd. (the “Debtor”) including the land municipally known as 2432-2452 Lakeshore Road West and 77, 87, and 93 Bronte Road, Oakville, Ontario (the “Bronte Property”) and interest of the Bronte Limited Partnership in the Bronte Property pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c C.43, as amended.
- [2] The Debtor seeks a two-week adjournment. In support of such request an affidavit sworn by Sarmad Ganni was filed this morning. In that affidavit, Mr. Ganni advises that he is working to obtain financing sufficient to pay outstanding construction liens and municipal taxes and hopes to have those amounts paid in two weeks. He does not take issue with the amounts claimed as owing by the Debtor or the security granted to CMLS to support the obligations. Rather he says with this hoped for additional financing, the initial defaults relied on by CMLS will be remedied.
- [3] The problem is that CMLS has, as is their contractual right to do so, accelerated the full amount of the debt such CMLS is owed an amount exceeding \$18.5 million. There is no indication that such amount is being refinanced. Rather counsel for the Debtor advises that she anticipates opposing the Receivership application on the basis that it is not just or convenient.
- [4] Counsel for three lien claimants appeared today. One of them, Trak International supports the adjournment request.
- [5] CMLS argues that the adjournment should be granted as the evidence of refinancing is vague, even if it materializes it won't change the result (as \$18.5 million will still be outstanding and the loan matures in January of 2026 in any event). CMLS also argues prejudice based on accruing interest and costs.
- [6] The collateral is development land, interest under the loan has been prepaid until January. I am not persuaded that CMLS would suffer significant prejudice if a two-week adjournment were granted. I also note that this matter was also only scheduled for 30 minutes. Counsel are encouraged - to avoid events like today - to schedule potentially opposed receivership applications by a scheduling conference where a proper schedule can be set, with deadlines to exchange material established and sufficient time to hear contested matters is reserved.
- [7] The application is adjourned **to 60 minutes on December 2, 2025 at 10:00** am in accordance with the following schedule:
- (a) The Respondents are to file any responding material on or before November 24, 2025;
 - (b) CMLS may deliver any reply evidence on or before November 26, 2025;
 - (c) The Respondents are to deliver a factum on or before November 27, 2026; and
 - (d) CMLS delivering a reply factum on or before November 28, 2025.

[8] All material is to be uploaded no later than end of day on November 28, 2025.

A handwritten signature in blue ink, consisting of a stylized initial 'J' followed by a long horizontal line.

Date: November 19, 2025

Jane O. Dietrich

This is Exhibit "B" referred to in the Affidavit of Jeffrey Burt affirmed remotely this 26th day of November 2025.

A handwritten signature in black ink that reads "Stephen Gaudreau". The signature is written in a cursive style with a large initial 'S' and a long, sweeping underline.

Commissioner for Taking Affidavits (or as may be)

Stephen Gaudreau



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

(Court Seal)

2604956 ONTARIO INC. and THE MOAMER BASHI (2019) FAMILY TRUST
Plaintiffs

and

BRONTE LIMITED PARTNERSHIP, BRONTE GP INC., ALLIANCE UNITED
CORPORATION JOHN MEHLENBACHER, DIANE BERTOLIN, SARMA D GANNI a.k.a SAM
GANNI and NAWAR MAHFOOTH

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANT(S)

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

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

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

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

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

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date AUGUST, 2025 Issued by _____
Local Registrar

Address of court office: Superior Court of Justice
7755 Hurontario Street
Brampton, Ontario
L6W 4T1

TO:
BRONTE LIMITED PARTNERSHIP,
200 Yorkland Boulevard,
Unit 600,
North York, Ontario M2J 5C1

Defendant

AND TO:
BRONTE GP INC
200 Yorkland Boulevard,
Unit 600,
North York, Ontario M2J 5C1

Defendant

AND TO
ALLIANCE UNITED CORPORATION
2100 Old Lakeshore Road, 2nd Floor
Burlington, Ontario L7R 1A3

Defendant

AND TO:
JOHN MEHLENBACHER
38 Shorewood Place
Oakville, Ontario
L6K 3Y4

Defendant

AND TO: DIANE BERTOLIN
5125 Riverside Drive East
Suite 102
Windsor, Ontario
N8S 4L8

Defendant

AND TO: SARMAD GANNI a.k.a SAM GANNI
40 Autumn Way
Brampton, Ontario
L6R 2C3

Defendant

AND TO: NAWAR MAHFOOTH
3173 Trailside Drive,
Oakville, Ontario
L6M 0P3

Defendant

CLAIM

1. The Plaintiff, 2604956 Ontario Inc., claims as against the Bronte Limited Partnership, Bronte GP Inc., John Mehlenbacher, Diane Bertolin, Sarmad Ganni a.k.a Sam Ganni and Nawar Mahfooth for:

- (a) Payment of the sum of \$622,005.10;
- (b) Prejudgment and post-judgment interest on the aforesaid sum from August 13, 2025 to the date of Judgment and thereafter at the rate of 15% per annum, calculated annually or, in the alternative, pursuant to Sections 128 and 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (c) An equitable mortgage as against the Property municipally known as 85 Bronte Road, Oakville, Ontario;
- (d) for its costs of this action on a substantial indemnity basis, together with all applicable HST thereon;
- (e) for such further and other relief as to this Honourable Court may seem just.

2. The Plaintiff, The Moaher Bashi (2019) Family Trust, claims as against the Alliance United Corporation, John Mehlenbacher, Diane Bertolin, Sarmad Ganni a.k.a Sam Ganni and Nawar Mahfooth for:

- (a) Payment of the sum of \$3,229,851.60;

- (b) Prejudgment and post-judgment interest on the aforesaid sum from August 13, 2025 to the date of Judgment and thereafter at the rate of 10% per annum, calculated annually or, in the alternative, pursuant to Sections 128 and 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
 - (c) for its costs of this action on a substantial indemnity basis, together with all applicable HST thereon;
 - (d) for such further and other relief as to this Honourable Court may seem just.
3. The Plaintiffs, 2604956 Ontario Inc. and The Moaher Bashi (2019) Family Trust are respectively an Ontario corporation and Ontario Trust operating as *inter alia*, investment vehicles including but not limited to providing private loans.
4. The Defendants, Bronte Limited Partnership, Bronte GP Inc. and Alliance United Corporation are Ontario corporations and limited partnerships operating as *inter alia*, property development vehicles. All of the aforesaid entities are also borrowers pursuant to the promissory notes hereinafter referred to.
5. The Defendants, John Mehlenbacher, Diane Bertolin, Sarmad Ganni a.k.a Sam Ganni and Nawar Mahfooth Amini, are believed to be individuals resident in Ontario and also borrowers under the promissory notes hereinafter referred to.
6. The Defendants are all liable for repayment of the two promissory notes respectively referred to in paragraphs 1 and 2. The individual Defendants in particular being jointly liable for the entirety of the sums owed in both combined.

7. The first promissory note was signed on September 12, 2022. Its key terms included an interest rate of 10% on the principal amount of \$2,500,000.00 and that the entire principal and interest was to be repaid in full on or before January 8, 2023, or such later date as may be established as the closing date for a property to be purchased but in any event not later than March 31, 2023.

8. The second promissory note was signed on April 7, 2025. Its key terms included an interest rate of 15% on the principal amount of \$590,997.95 and that the entire principal and interest was to be repaid in full on or before its term of May 22, 2025.

9. As an added term of the second promissory note, the Defendant borrowers thereunder, being all Defendants except Alliance, agreed to consent to the registration of a second mortgage against the Property known as 85 Bronte Road, Oakville, Ontario.

Defaults

10. The promissory notes both matured to term. They were not repaid at maturity, thereby constituting a default. No payments have been received since then.

11. The Defendants committed another act of default in failing to provide the added security agreed to.

Rights upon default

12. There is now due and owing to the Plaintiffs under the April 7, 2025 promissory note: as at August 13, 2025:

Principal as at April 7, 2025

\$590,997.95

Accrued interest at 15% on principal from April 7, 2025 to August 13, 2025	<u>\$ 31,007.15</u>
TOTAL:	<u>\$622,005.10</u>

13. There is now due and owing to the Plaintiffs under the September 12, 2022 promissory note: as at August 13, 2025:

Principal as at April 7, 2025	\$2,500,000.00
Accrued interest at 15% on principal from September 12, 2022 to August 13, 2025	<u>\$729,851.60</u>
TOTAL:	<u>\$3,229,851.60</u>

14. Despite repeated demands, the Defendants have failed and/or refused to pay the sums due and owing under the promissory notes.

15. The Plaintiffs pleads and relies upon the *Mortgages Act*, R.S.O. 1990, c. M.40.

16. By reason of the foregoing the Plaintiffs claim to be entitled to the relief set forth in paragraph 1 herein.

AUGUST , 2025

GARFINKLE BIDERMAN LLP

Barristers & Solicitors

1 Adelaide Street East, Suite 801

Toronto, Ontario

M5C 2V9

Alexander Hora LSO#: 62210P

Tel: 416-869-1234

Email: ahora@garfinkle.com

Lawyers for the Plaintiffs

BRONTE LIMITED PARTNERSHIP., et al.
Defendants

Court File No.

Plaintiffs

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at BRAMPTON

STATEMENT OF CLAIM

GARFINKLE BIDERMAN LLP
Barristers & Solicitors
1 Adelaide Street East, Suite 801
Toronto, Ontario
M5C 2V9

Alexander Hora LSO#: 62210P

Tel: 416-869-1234

Email: ahora@garfinkle.com

Lawyers for the Plaintiffs

G:\Client Data\14511\14511-001\pleadings\Statement Of Claim
October 2024.docx

This is Exhibit "C" referred to in the Affidavit of Jeffrey Burt affirmed remotely this 26th day of November 2025.

A handwritten signature in black ink that reads "Stephen Gaudreau". The signature is written in a cursive style with a large initial 'S'.

Commissioner for Taking Affidavits (or as may be)

Stephen Gaudreau

**PROMISSORY NOTE AND PERSONAL GUARANTEE
(WITH ESCROW MORTGAGE PROVISION)**

Date: April 7, 2025

Principal Amount: \$590,997.95 CAD

TO: 2604956 Ontario Inc

("Lender")

Address: 1 Soleil Blvd, Aurora, ON L4G 0H4

FOR VALUE RECEIVED, the undersigned:

1. **BRONTE LIMITED PARTNERSHIP**, by its general partner **Bronte GP Inc.**
2. **BRONTE GP INC.**
3. **JOHN MEHLENBACHER**, an individual
4. **DIANE BERTOLIN**, an individual
5. **SARMAD GANNI**, an individual
6. **NAWAR MAHFOOTH**, an individual

(collectively, the "Borrowers") jointly and severally, unconditionally and irrevocably promise to pay to the Lender the principal sum of **Five Hundred Ninety Thousand Nine Hundred Ninety-Seven Dollars and Ninety-Five Cents (\$590,997.95 CAD)**, together with interest thereon at the rate of **15% per annum**, calculated and compounded monthly, in accordance with the terms below:

1. Purpose

This Note is issued in connection with the advancement of funds by the Lender to the Borrowers, to be applied exclusively toward payment of building permit fees to the **Town of Oakville** relating to the real property municipally known as **85 Bronte Road, Oakville, Ontario** (the "Property").

2. Payment Terms

- The Borrowers shall repay the entire principal amount plus accrued interest in full on or before **May 22, 2025** (the "Maturity Date").
- Interest shall accrue daily on the unpaid balance and is payable in full with the principal.
- If payment is made after the Maturity Date, interest shall continue to accrue on the outstanding balance at the stated rate until payment in full.

3. Escrow and Security

- Upon execution of this Note, the **Borrowers shall cause their legal counsel to immediately prepare, execute, and deliver into escrow** a fully registrable **second mortgage** in favour of the Lender, to be secured against the Property known as **85 Bronte Road, Oakville, Ontario** (the “Mortgage”).
- The Mortgage shall be held in escrow pursuant to this agreement, and the Lender shall have the **sole and irrevocable right to instruct its registration at any time following execution of this Promissory Note**, at the Lender’s discretion and **without further notice to or consent from the Borrowers**.
- All legal and registration costs related to the preparation, execution, escrow, and registration of the Mortgage shall be borne by the Borrowers.
- The Borrowers shall fully cooperate and execute all further assurances and documents necessary to give full effect to the security interest and enforceability of the Mortgage.

4. Personal Guarantee

Each individual Borrower (John Mehlenbacher, Diane Bertolin, Sarmad Ganni, and Nawar Mahfooth) hereby unconditionally and irrevocably guarantees the prompt and full performance and payment of all amounts due under this Note. This guarantee shall survive any settlement, restructuring, or extension of this Note and shall not be released or impaired except by written release signed by the Lender.

5. Events of Default

The following shall constitute an “Event of Default” under this Note:

- Failure to pay any amount due hereunder by the Maturity Date;
- Insolvency, bankruptcy, or dissolution of any of the Borrowers;
- Breach by any Borrower of their obligations under this Note or the escrow arrangements.

Upon default, the Lender shall be entitled to all remedies available at law or in equity, including but not limited to:

- Immediate payment of the entire outstanding amount;
- Registration and enforcement of the mortgage;
- Commencement of legal proceedings and recovery of all legal fees on a solicitor-and-client (full indemnity) basis.

6. Representations and Warranties

Each Borrower represents and warrants that:

- They have the capacity, authority, and all necessary corporate and/or personal power to enter into this Note;
- The execution and delivery of this Note has been duly authorized;
- This Note constitutes a legal, valid, and binding obligation enforceable against each Borrower in accordance with its terms.

7. Waivers

No delay or omission on the part of the Lender in exercising any right or remedy shall operate as a waiver of such right. Any waiver must be in writing and signed by the Lender.

8. Independent Legal Advice

Each Borrower acknowledges that they have had the opportunity to obtain independent legal advice prior to executing this Note, and that they fully understand their obligations and liabilities hereunder.

9. Severability

If any provision of this Note is deemed invalid or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

10. Governing Law and Jurisdiction

This Note 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 Borrowers irrevocably attorn to the exclusive jurisdiction of the courts of Ontario for any dispute arising from or in connection with this Note.

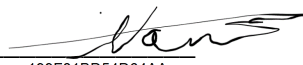
11. Further Assurances

The Borrowers agree to execute and deliver any further documents and perform any further acts as may reasonably be required to carry out the intent of this Note and to ensure the enforceability of the mortgage and security interests contemplated herein.

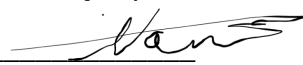
IN WITNESS WHEREOF, the undersigned have executed this Promissory Note and Guarantee as of the date first written above.

BRONTE LIMITED PARTNERSHIP

by its General Partner,
BRONTE GP INC.

Per: _____
Name: _____
Title: _____
DocuSigned by: 
199F81BD54D64AA...

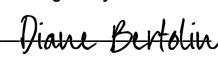
BRONTE GP INC.

Per: _____
Name: _____
Title: _____
DocuSigned by: 
199F81BD54D64AA...

JOHN MEHLENBACHER

Signature: _____
DocuSigned by: 
D1797D9CE16F493...

DIANE BERTOLIN

Signature: _____
Signed by: 
C298DFC29559438...

SARMAD GANNI

Signature: _____
DocuSigned by: 
0CE64D960895403...

NAWAR MAHFOOTH

Signature: _____
DocuSigned by: 
199F81BD54D64AA...

This is Exhibit "D" referred to in the Affidavit of Jeffrey Burt affirmed remotely this 26th day of November 2025.

A handwritten signature in black ink that reads "Stephen Gaudreau". The signature is written in a cursive style with a large, stylized 'S' and 'G'.

Commissioner for Taking Affidavits (or as may be)

Stephen Gaudreau

Commitment Letter

TO: BRONTE LIMITED PARTNERSHIP, by its general partner, BRONTE GP INC.,
BRONTE GP INC. and BRONTE LAKESIDE LTD.

(each or collectively, the “**Borrowers**”)

AND TO: JOHN MEHLENBACHER;
DIANE BERTOLIN;
SARMAD GANNI; and
NAWAR MAHFOOTH

(each or collectively, the “**Guarantors**”)

FROM: 2604956 ONTARIO INC. (the “**Lender**”)

RE: **Second mortgage loan at property municipally known as 85 Bronte Road, Oakville,
Ontario (the “Property”)**

DATE: May 7, 2025

A. LOAN TERMS

The Lender is prepared to provide you with a non-revolving loan (the “**Loan**”) subject to the following terms and conditions as described in this commitment letter (the “**Commitment Letter**”).

1. **Lender:** 2604956 ONTARIO INC. (the “**Lender**”)
1 Soleli Blvd
Aurora, Ontario
L4G 0H4
2. **Borrower(s):** BRONTE LIMITED PARTNERSHIP, by its general partner,
BRONTE GP INC., BRONTE GP INC. and BRONTE LAKESIDE
LTD. (each and collectively, the “**Borrowers**”)
3. **Guarantor(s):** John Mehlenbacher, Diane Bertolin, Sarmad Ganni, Nawar Mahfooth
(each and collectively, the “**Guarantors**”)
4. **Property:** **Municipal Address:**
85 Bronte Road, Oakville, Ontario
Legal Description:
FIRSTLY: LOT 2, PLAN M8; PART LOT 1, PLAN M8, PART 1 &
8 PLAN 20R3921; SECONDLY: LOT 1A, PLAN M8; THIRDLY:
LOT 3, PLAN M8; LOT 4, PLAN M8; 3; FOURTHLY: LOT 5,
PLAN M8; FIFTHLY: PART LOT 7, PLAN M8, PART 2 PLAN
20R3921; SIXTHLY: LOT 9, PLAN M8; PART LOT 8, PLAN M8,

PARTS 3 & 4 PLAN 20R3921; SEVENTHLY: PART LOT 11, PLAN M8; PART LOT 10, PLAN M8, PARTS 5 & 6 PLAN 20R3921; EXCEPT PARTS 1 AND 2, 20R22342; SUBJECT TO AN EASEMENT OVER PART 3, 20R22342 IN FAVOUR OF ; LAKESHORE RD W, PL M8 , (FORMERLY TRILLER ST) S OF NELSON ST ; PCL 1-2, SEC M8 ; PT LT 1, PL M8 , PART 1 , 20R3653 ; PCL 7-2, SEC M8 ; PT LT 7, PL M8 , PART 2 , 20R3653 ; PCL 8-2, SEC M8 ; PT LT 8, PL M8 , PART 3 , 20R3653 ; PCL 10-2, SEC M8 ; PT LTS 10 AS IN HR2005158; TOWN OF OAKVILLE, being all of PIN 24761-0230 (LT) (the “**Property**”)

- 5. Loan Amount:** Five Hundred Ninety-One Thousand One Hundred Twenty-Nine Dollars and Ninety- Five Cents (\$591,129.95 CAD) (the “**Loan Amount**”)
- 6. Term:** The term of the Loan is 45 days (the “**Term**”) commencing on April 7, 2025, and expiring on May 22, 2025, (the “**Maturity Date**”), as may be extended in accordance with this Commitment Letter. The principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs or fees secured by the Security are repayable in full on the Maturity Date. Interest shall accrue from the date of advance, being April 7, 2025 (the “**Interest Adjustment Date**”).
- 7. Purpose:** Subject to any fees, costs and expenses contemplated herein, the proceeds of the Loan are to be used solely to pay building permit fees to the Town of Oakville relating to the Property.
- 8. Interest Rate:** **Fifteen (15.00%) per annum**, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment (the “**Interest Rate**”).
- 9. Amortization:** None – This is an interest only mortgage. Monthly payments are payment of interest only.
- 10. Lender Fee:** No lender’s fee (the “**Lender Fee**”) is earned by the Lender upon the Borrower’s execution of this Commitment Letter and payable by the Borrower to the Lender at the time of execution of this Letter.
- 11. Deposit** Not Applicable
- 12. Prepayment** The Borrower is permitted to prepay all or any portion of the principal outstanding hereunder prior to the Maturity Date.
- 13. Further Encumbrances:** Except for the encumbrances contemplated hereunder, additional financing of the Property, secured or unsecured, or the registration of any other encumbrances in connection with the Property is prohibited without the prior written consent of the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender. **Failure**

to comply with this covenant shall constitute a default under the terms of the Security and this Commitment Letter.

14. Costs and Expenses

The Borrower shall bear all costs and expenses incurred by the Lender from time to time in connection with the Loan, which costs include, but shall not be limited to, legal fees, appraisal reports, insurance consulting reviews, wire fees, payment of property taxes as a protective disbursement, out-of-pocket expenses for property inspection, any fees included in any Security, and any applicable sales tax related to all such costs and expenses.

B. SECURITY

The Loan shall be secured by the security set out below which, prior to the advance of the Loan, shall be delivered by the Borrower to the Lender in form, scope and substance satisfactory to the Lender and his legal counsel in his sole, absolute and unfettered discretion (collectively, the “**Security**”):

1. **Mortgage** A mortgage, in second, priority in amount of \$591,129.95 against the title to the Property (the “**Charge**”). For clarity, the Charge shall be registered against title to the property located at **85 Bronte Road, Oakville, Ontario**.

The Charge shall be subject to Standard Charge Terms No. 200033 (the “**SCT**”), together with the additional terms and conditions included in Schedule “A” attached hereto and any other terms and conditions as required or deemed necessary by the Lender or the Lender’s solicitor. The Borrower hereby acknowledges that the SCT is incorporated by reference into the Charge.
2. **Guarantee** Unconditional joint and several guarantees from the Guarantors for the Loan, interest thereon and expenses and an assignment and postponement of claims by the Guarantors relating to any claims against the Borrower.
3. **General Assignment of Rents** A general assignment of leases and rents granted by the Borrower, if required by the Lender or his solicitor.
4. **General Security Agreement** A general security agreement granted by the Borrower creating a second ranking security interest over all presently held and hereafter acquired personal property situated on, used in connection with or derived from the Property.
5. **Assignment of Insurance** An assignment of Insurance granted by the Borrower, with respect to any and all insurance proceeds arising in connection with the insurance for the Property, if required by the Lender or his solicitor.
6. **Assignment of Material Contracts** An assignment of material documents and contracts with respect to the Property, its ownership, operation, management, or its future development, if required by the Lender or his solicitor.

7. **Environmental Warranty and Indemnity Agreement** Environmental Warranty and Indemnity Agreement by the Borrowers and Guarantors to the Lender stated to survive repayment of the Loan.

C. **CONDITIONS PRECEDENTS**

The obligation of the Lender to make available the Loan shall be subject to the post-funding conditions below (collectively, the “**Conditions Precedents**”) which shall be satisfied or waived by the Lender in his sole, absolute and unfettered discretion on or prior to the registration of Charge/Mortgage to the Property.

1. **Appraisal:** The Lender shall have received appraisal reports from an appraiser acceptable to the Lender for the Property, which appraisals are satisfactory to the Lender in his sole, absolute and unfettered discretion. – **WAIVED.**
2. **Insurance:** The Borrower shall secure an insurance policy for the Property, satisfactory to the Lender in his sole, absolute and unfettered discretion, including the standard mortgage clause and naming the Lender as second mortgagee at the following address: 85 Bronte Road, Oakville, Ontario. The Lender shall receive written notice at least 30 days prior to the date of the maturity or cancellation of the Insurance.
3. **Ownership Structure:** The Lender shall receive satisfactory executed corporate documents from legal counsel confirming the ownership structure of the Borrower. The Borrower shall provide an organizational chart (executed by the Borrower as to its accuracy) within five (5) business days of acceptance of this Commitment Letter.
4. **Beneficial Owners Agreement** Beneficial Owners Agreement from the Beneficial Owners, in form and content satisfactory to the Lender authorizing all Security given by the nominee, charging their beneficial interest(s) in the Property by way of a second priority security interest in favour of the Lender, and containing an assignment and postponement of claims, if applicable.
5. **Delivery of Security and Additional Documents:** The Lender shall have received the Security duly executed. The Borrower shall execute and complete such forms, applications and disclosures as the Lender may require in order to comply with any applicable laws related to the loan transaction contemplated in this Commitment Letter.
6. **Title Insurance:** Title insurance in the Loan Amount to be obtained and satisfactory to the Lender at the Lender’s sole discretion. All costs in regard to this title insurance are the responsibility of the Borrower.
7. **Taxes and Utilities:** The Borrower must ensure that the property taxes and utilities are paid up to date as and when due and payable and remain up to date throughout the

Term of the Loan.

- 8. Authorization:** The execution of this Commitment Letter by the Borrower shall constitute written authorization from the Borrower allowing the Lender to communicate directly with any taxing authority, any regulatory authority with jurisdiction including any governmental authority, and any current and future insurers. This clause further directs these parties to release any and all information requested to the Lender.
- 9. Bankruptcy & Insolvency Act:** The Borrower represents and warrants that the Borrower is not an “undischarged bankrupt” as defined in the *Bankruptcy and Insolvency Act*. In the event that the Borrower is an “undischarged bankrupt” then all amounts due under the Loan, including the Loan Amount, interest, or otherwise that may be owing hereunder shall be immediately due and payable at the sole option of the Lender.
- 10. Registration of Security:** All registrations, recordings, and filings of, or with respect to the Security which in the opinion of the Lender’s counsel are necessary to render effective and perfected, or to give notice of the security intended to be created thereby shall have been completed.
- 11. Clean Title:** The Lender shall be satisfied with title to the Property, in his sole, absolute, and unfettered discretion.
- 12. Due Dilligence:** The Lender shall have completed his business, financial and legal due diligence including without limitation property level due diligence with respect to the Property.
- 13. Outside Execution Date:** In the event that this Commitment Letter has not been executed by all parties by made by May 5, 2025, at the exclusive option of the Lender, his obligations under this Commitment Letter shall cease and be at an end and the Lender shall be released from any and all of his present and/or future obligations under this Commitment Letter and Security. Notwithstanding the foregoing, the Lender shall remain entitled to earn and receive full payment of the Lender’s Fee and to fully recover from the Borrower and any Guarantor any expenses incurred by the Lender in connection with this Commitment Letter.
- 14. Information Statement from First (1st) Mortgagee** The Borrower shall provide the Lender with information or financial statement(s) from the Borrowers’ first (1st) mortgagee, confirming the mortgage/charge against the Property is in good standing to the Lender’s satisfaction.
- 15. Other** Such other conditions as the Lender and/or his legal counsel may reasonably require.

D. SPECIAL CONDITIONS

1. **Mortgage Administration/ Default Management:** The Borrower shall pay, on demand, the Lender's reasonable administrative costs and expenses arising out of or incurred by the Lender in connection with his administration of this Loan and the review, execution and delivery of any documents which the Lender is requested to prepare in connection herewith. If any such amount is not paid on demand, it shall be added to the Loan Amount and bear interest at the same Interest Rate. The Lender shall have the same right with respect to collection of any such amount as it does with respect to the collection of the Loan Amount and interest under this Loan, in law or in equity. At the Lender's sole discretion, he may charge up to \$500.00 for each incident of a default which has not been remedied within the applicable cure period herein plus disbursements and an additional \$150.00 per day that the incident of default remains outstanding, unpaid or not collected or cured for administrative and management costs, in addition to all other fees listed in Schedule "A" attached hereto, and these are agreed to be reasonable by the Borrower.
2. **Acceleration Fees:** The Loan Amount and interest accrued thereon to the date of payment and all lender's costs and expenses shall become due and payable at the Lender's option in the event that a default is not cured within the applicable cure periods provided herein with respect to such default.
3. **Non-Transferable:** In the event of a sale, conveyance, or transfer of title of the Property or any part thereof, which has not received prior written approval of the Lender, then at the sole and absolute option of the Lender, all amounts secured by the Loan and Security shall forthwith be due and payable.
4. **Evidence of Indebtedness:** The accounts and records of the Lender constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender pursuant to this Commitment Letter and Security.
5. **Default of Other Mortgages** A default under any mortgage registered on the Property shall also constitute a default under this Commitment Letter and the Security.

E. GENERAL TERMS AND INFORMATION

1. **Additional Documentation:** The Lender reserves the right at any time to require additional documentation at the Lender's sole and absolute discretion.
2. **Lender's Right to Assign:** The Lender reserves the right to assign, transfer or sell the Loan or any part thereof to another person or entity at any time without consent of or notice to the Borrower.

- 3. The terms of this Commitment Letter cannot be altered unless confirmed in writing by the Lender:** The Borrower certifies that the information given to the Lender is true and correct and that any subsequent changes to the Borrower's financial information provided may result in cancellation of the Commitment Letter.
- 4. Severability of Any Invalid Provisions:** If any covenant, term or provision contained in the Commitment Letter, Security, and/or Charge is held to be invalid, illegal or unenforceable in whole or in part, then the validity, legality and enforceability of the remaining covenants, provisions and terms in any of the said documents shall not be affected or impaired thereby, and all such remaining covenants, provisions or terms shall continue in full force and effect. All covenants, provisions and terms hereof are declared to be separate and distinct covenants, provisions, or terms, as the case may be.
- 5. Inconsistency of Terms:** The provisions of this Commitment Letter shall be in addition to and not in substitution for those found in the SCT and the Security, and in the event of any inconsistency between the provisions herein and those contained in the SCT and the Security, the Lender shall decide, in his sole discretion and at his option, which shall prevail.
- 6. Governing Law:** The interpretation of this Commitment Letter is governed by the laws of Ontario and the federal laws applicable.
- 7. Execution:** This Commitment Letter may be executed electronically and, in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.
- 8. Interpretation:** This Commitment Letter may be executed electronically and, in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.
- 9. Independent Legal Advice** Each party hereto acknowledges that it has received independent legal advice in respect of all matters relating to this Commitment Letter and the Loan.
- 10. Counsel:** Counsel for the Lender and the Borrower with respect to this Loan is as follows:

 - a. Lender's Counsel:**
Garfinkle Biderman LLP (Attention: Leo Cho)

1 Adelaide Street East, Suite 801
Toronto, ON M5C 2V9
Email: lcho@garfinkle.com
Telephone: 416-869-7611

b. Borrower's Counsel:

Brace Law LLP (Attention: Vaishali Wason/ Monika Sharma)
2939 Portland Drive, Unit 202
Oakville, ON L6H 5S4
Email: vwason@bracelaw.ca/ monika@bracelaw.ca
Telephone: 905-815-6555

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If you are in agreement with the foregoing terms and conditions, please indicate this by signing and returning this Commitment Letter to the Lender by **May 9, 2025**, failing which this letter shall, at the Lender’s option, be deemed null and void.

Yours Sincerely,

2604956 ONTARIO INC.

Per: _____

Name:

Title:

I have the authority to bind the corporation.

I/We hereby accept the terms and conditions of this Commitment Letter and any accompanying schedules, and each person executing this Commitment Letter hereby represents and warrants that he/she has the power, capacity, and authority to do so.

BORROWERS:

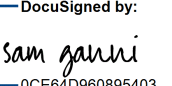
**BRONTE LIMITED PARTNERSHIP, by its general partner,
BRONTE GP INC.**

Per:  _____
Name: sam ganni

Title: President

I have the authority to bind the partnership.

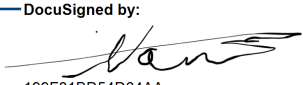
BRONTE GP INC.

Per:  _____
Name: sam ganni

Title: President

I have the authority to bind the corporation.

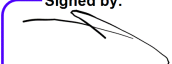
BRONTE LAKESIDE LTD.

Per:  _____
Name: Nawar Mahfooth

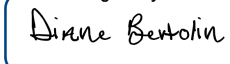
Title: Director

I have the authority to bind the corporation.

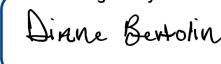
GUARANTORS

Signed by:

E2114345680142B...


JOHN MEHLENBACHER

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Witness:

DocuSigned by:

2EB2FC07AAAF47F...

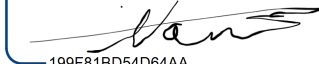
DIANE BERTOLIN

Signed by:

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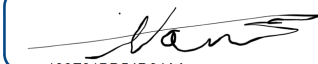
Witness:

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SARMAD GANNI

DocuSigned by:

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DocuSigned by:

199F81BD54D64AA...

NAWAR MAHFOOTH

DocuSigned by:

0CE64D960895403...

Witness:

SCHEDULE "A"
Charge Provisions

A. DEFINITIONS

For the purpose of this Schedule, the following capitalized words shall have the following meaning:

1. "**Applicable Laws**" means, in respect of any person, property, transaction or event, all applicable federal, provincial, or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licences, authorizations, approvals and all applicable common law or equitable principles in force and effect during the currency of this Charge;
2. "**Charge**" shall mean the charge registered pursuant to the Commitment and all amendments thereto and renewals thereof;
3. "**Commitment**" means the commitment letter for the loan in the amount of \$591,129.95 dated May 2, 2025 between the Mortgagor, Mortgagee and certain other parties thereto;
4. "**Costs**" means all of the fees, costs, charges, losses, damages and expenses incurred by the Mortgagee as a direct or indirect consequence of granting the loan secured by this Charge including, without limitation, all expenses incurred in the construction, preservation, maintenance, repair, insuring and realization of the security contained herein, and all legal costs incurred by the Mortgagee as between a solicitor and his own client;
5. "**Environmental Laws**" means all present and future Applicable Laws, standards and requirements relating to environmental or occupational health and safety matters, including those relating to the presence, release, reporting, licensing, permitting, investigation, disposal, storage, use, remediation and clean-up or any other aspect of a Hazardous Substance;
6. "**Environmental Proceeding**" means any investigation, action, proceeding, conviction, fine, judgment, notice, order, claim, directive, permit, license, approval, agreement or lien of any nature or kind arising under or relating to Environmental Laws;
7. "**Hazardous Substance**" means any substance or material that is prohibited, controlled, otherwise regulated by any governmental authority or is otherwise hazardous in fact, including, without limitation, contaminants, pollutants, asbestos, lead, urea formaldehyde foam insulation, polychlorinated by-phenyls or hydrocarbon products, any materials containing same or derivatives thereof, explosives, radioactive substances, petroleum and associated products, underground storage tanks, dangerous or toxic substances or materials, controlled products and hazardous wastes;
8. "**Loan**" means the non-revolving loan in the Principal Amount given by the Mortgagee to the Mortgagor and secured by the Charge;
9. "**Mortgagee**" shall refer to the parties listed under the Lender;

10. **“Mortgagor”** shall refer to the parties listed under the Borrowers and Guarantors;
11. **“Obligations”** shall refer to the amounts due under the Charge and Commitment including the Principal, interest accrued thereon, and any fees;
12. **“Person”** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, any Government Authority, and the executors, administrators, or other legal representatives of an individual in such capacity;
13. **“Principal”** or **“Principal Amount”** means the amount set out next to the word Principal in the registered Charge instrument to which these Additional Provisions are attached as a schedule, in lawful money of Canada;
14. **“Property”** means the Property, tenements, hereditaments and appurtenances and any estate or interest therein described in the Charge, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions, improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in law) attached thereto or placed, installed or erected thereon or used in connection therewith.
15. **“Transaction Documents”** means the Charge, Commitment, or Security Documents delivered in connection with the Loan.

Any capitalized words not defined herein shall have the meaning ascribed to them in the Commitment Letter.

B. COMMITMENT/CONFLICT

The following terms shall be additional to the terms and conditions listed in the Commitment and Standard Charge Terms 200033 (the “SCT”) and in the event that there is a direct conflict between the terms and conditions of the Charge, Commitment Letter and SCT, then the Mortgagee shall determine, in his sole, absolute and unfettered discretion, which term and condition will prevail.

C. FEES AND COSTS

The Mortgagor agrees to pay to the Mortgagee, forthwith upon demand, all costs and fees indicated in the Commitment Letter and/or associated with this Charge or the loan secured hereunder, including without limitation the fees indicated below. The Mortgagor acknowledges that applicable taxes will be in addition to all fees indicated in the Charge or the Commitment Letter. The Mortgagor acknowledges that the following is a non-exhaustive list of the applicable fees.

<u>Fee</u>	<u>Description</u>
\$350.00	NSF/Returned Payment Fee: Payable for each NSF Cheque or other returned payment.
\$250.00	For every time the Mortgagor fails to provide a copy or maintain a valid fire insurance binder as required under the Commitment Letter and/or by the Mortgagee.

\$250.00	Late Payment Fee: Payable when payments are deposited after the date.
\$350.00	Property inspection fee (fee is per visit).
\$200.00	Stop Payment/Re-Arrange Payment Fee: Payable for administering any stop payment of a cheque or other negotiable instrument and for arranging for processing of any payment other than on the payment due date.
\$350.00	Fee for mortgage statement for information purposes requested by or on behalf of the Mortgagor.
\$795.00	Discharge Administration Fee: Payable for the preparation of a mortgage discharge statement.
\$850.00	Legal Fee for preparation of mortgage discharge statement excluding registration fees and other disbursements.
\$5,000.00	Legal Administration Fee: Payable for the preparation of each statement of claim or Notice of Sale. The fee is applicable for each separate document.
\$750.00	Payable for each demand letter forwarded to the Mortgagor with respect to the mortgage compliance and/or enforcement.

The Mortgagor agrees that any payments that reach the Mortgagee after 12:00 p.m. (Toronto Time) on any business day are deemed to have been received on the next business day following the date on which said payments were received.

D. PERSONAL COVENANT

The Mortgagor acknowledges that its obligation to repay the Loan constitutes primary obligations of the Mortgagor, and promises to pay or cause to be paid to the Mortgagee the full principal amount and interest secured by the Charge in the manner provided for in the Commitment, without deduction or abatement, and to do and observe all obligations, covenants, and stipulations in the Transaction Documents.

E. TAX RECEIPTS

The Mortgagor shall, at the option of the Mortgagee, provide to the Mortgagee on a half-yearly basis, evidence that the tax accounts of the Mortgagor are paid in full.

F. NON-TRANSFERRABLE/NON-ASSUMABLE

In the event of a sale, conveyance or transfer of the Property or any portion thereof, then at the sole and absolute option of the Mortgagee, all amounts secured hereunder shall, at the Mortgagee's option, become due and payable forthwith, unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily or unreasonably withheld. The rights of the Mortgagee pursuant to

this provision shall not be affected or limited in any way by the acceptance of payments due under the Charge from the Mortgagor or any Person claiming through or under it and the rights of the Mortgagee hereunder shall continue without diminution for any reason whatsoever until such time as the Mortgagee has consented in writing as required by this provision.

G. PREPAYMENT PRIVILEGE

The Charge is closed for the first 4 months of the term of the Charge. During the foregoing closed period, the Mortgagor shall not have the privilege of prepaying all or any portion of the principal outstanding hereunder. After the first 4 months of the term of the Charge, the Mortgagor shall have the privilege of prepaying all or any portion of the principal outstanding hereunder upon providing the Mortgagee with 30 days' prior written notice.

H. PREPAYMENT AFTER DEFAULT

If the Mortgagee demands repayment of the Principal Amount secured by the Charge upon the occurrence of an event of default under Charge and/or the Commitment, and the balance declared due is paid prior to the Balance Due Date or the maturity date, the Mortgagor shall pay to the Mortgagee the principal amount outstanding under the Charge and any interest accrued thereon and not paid together with any fees and costs related to the Mortgage.

I. NON-MERGER

Notwithstanding the execution of the Commitment, registration of this Charge or the advance of funds hereunder, the terms and provisions of the Commitment (as may have been revised) shall remain binding and effective upon the Mortgagor. It is understood and agreed that any default under the said Commitment shall be deemed a default under this Charge.

J. LEGAL REPRESENTATION

The Mortgagor hereto acknowledges that the Mortgagor has full knowledge of the purpose and essence of the Charge and that the Mortgagor has been appropriately and legally represented in this area. The Mortgagor in particular acknowledges that the Mortgagor is estopped from claiming that the terms as contained in the Charge herein are unconscionable.

K. APPOINTING A RECEIVER

The Mortgagee may, in the event of default by the Mortgagor of any obligation under the Transaction Documents, himself or by his agent, appoint a receiver (which includes a receiver and manager) to collect any income from the Property and to otherwise exercise his rights under the Transaction Documents. The Mortgagee can also, in writing, appoint a new receiver in place of any receiver appointed by the Mortgagee. The receiver is considered to be the Mortgagor's agent and not the Mortgagee's and the receiver's defaults are considered to be solely the Mortgagor's defaults.

1. The receiver has the right but not the obligation to:
 - a. use any available remedy to collect the income from the Property;
 - b. take possession of the Property or part of it;
 - c. manage the Property, maintain it in good condition, and complete any improvements if applicable; and
 - d. lease the Property on whatever terms considered appropriate.

2. From the income collected from the Property, or the proceeds of sale of the Property, the receiver may:
 - a. retain a commission of 5% of the total money received or any higher rate permitted by a judge or other authorized officer;
 - b. retain enough money to pay disbursements spent on collecting the income;
 - c. pay all taxes, insurance premiums, expenses of keeping the Property in good condition or completing any improvements, interest on those payments, and all charges that have priority over the Mortgagee's charge and interest on those charges at the interest rate provided for in the applicable agreement; and
 - d. pay the Mortgagee all interest that is due and payable under the Loan and then, at the Mortgagee's option, pay the Mortgagee all or part of the obligations under the Loan, whether due or not yet due.

L. NO FURTHER ENCUMBRANCES

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

M. BANKRUPTCY AND INSOLVENCY PAYMENT OF OTHER CHARGES AND PERFORMANCE OF OTHER OBLIGATIONS BY THE CHARGEES

The Mortgagor covenants and agrees with the Mortgagee to pay, without delinquency, all property taxes, public utility charges, and insurance premiums as and when they become due, to comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance, or the registration of any liens, charges, security interests or other encumbrances of any nature or kind.

In addition, at the Mortgagee's sole option, the Mortgagor hereby agrees that the Mortgagee may satisfy

any claim, charge, security interest, lien or any other encumbrance now or hereafter existing or to arise or be claimed upon the Property and the amount so paid together with all costs associated therewith shall be added to the Principal hereby secured and shall be payable forthwith by the Mortgagor to the Mortgagee.

N. BANKRUPTCY AND INSOLVENCY

The Mortgagor acknowledges and agrees that any and all costs as may be incurred from time to time by the Mortgagee in order to effect compliance or avoid any adverse ramifications of the Bankruptcy and Insolvency Act (Canada) shall be entirely for the account of the Mortgagor. The Mortgagee shall be entitled to incur any such costs, including any costs of its personnel in administering any requirements of the said Act and to add the same to the indebtedness owing pursuant hereto and the same shall be secured hereunder in the same manner and in the same priority as the Principal.

O. NO IMPROVEMENT

The Mortgagor warrants and represents that the purpose of this Charge is not to finance any improvement. The Mortgagor shall not demolish or carryout renovations, or make any structural additions to the Property, or change or permit to be changed the use of the Property without first obtaining the written consent of the Mortgagee, which consent may be withheld in the sole, absolute and unfettered discretion of the Mortgagee. If the Mortgagor makes any structural alterations, or changes or permits the use of the Property to be changed without the prior written consent of the Mortgagee, then, at the Mortgagee's option, the Charge shall be immediately due and payable.

P. ENVIRONMENTAL

The Mortgagor shall: (i) comply and shall ensure that the Property complies with all Environmental Laws at all times; (ii) not permit any Hazardous Substance to be located, manufactured, stored, spilled, discharged or disposed of at, on or under the Property; (iii) notify the Mortgagee promptly of any threatened or actual Environmental Proceedings; (iv) remediate and cure, in a timely manner, any non-compliance by the Property or the Mortgagor with Environmental Laws, including, without limitation, removal of any Hazardous Substances from the Property; (v) maintain all environmental and operating documents and records including, without limitation, all permits, licenses, certificates, approvals, orders and agreements relating to the Property as required by Environmental Laws; (vi) provide the Mortgagee promptly upon request with such information, documents, records, permits, licences, certificates, approvals, orders, agreements, environmental audits, reports, assessments and inspections and take such other steps (all at the Mortgagor's expense) as may be required by the Mortgagee to confirm and/or ensure compliance by the Property and the Mortgagor with Environmental Laws, and (vii) execute all consents, authorizations and directions necessary to permit any inspection of the Property by any governmental authority and to permit the release to the Mortgagee or its representatives, of any information relating to the Property and the Mortgagor, as the Mortgagee may request from time to time.

Without limiting any other provision of this Charge or any documents collateral hereto, the Mortgagor shall indemnify and pay, protect, defend and save the Mortgagee harmless from and against all actions, proceedings, losses, damages, liabilities, claims, demands, judgments, costs, expenses, (including legal fees and disbursements on a solicitor and his own client basis) (collectively "**Environmental Claims**"), imposed on, made against, or incurred by the Mortgagee arising from or relating to, directly or indirectly,

whether or not caused by the Mortgagor or within its control, (i) any actual or alleged breach of Environmental Laws relating to or affecting the Property, (ii) the actual or alleged presence, release, discharge or disposition of any Hazardous Substance in, on, over, under, from or affecting all or part of the Property or surrounding lands, including, without limitation, any personal injury or property damage arising therefrom, (iii) any actual or threatened Environmental Proceeding affecting the Property including any settlement thereof, (iv) any assessment, investigation, containment, monitoring, remediation and/or removal of Hazardous Substances from all or any part of the Property or surrounding areas or otherwise complying with Environmental Laws, or (v) any breach by the Mortgagor of any covenant hereunder, or under any document collateral hereto or thereto or under Applicable Law relating to environmental matters. This indemnity shall survive repayment of the Principal secured hereby, foreclosure upon this Charge, and any other extinguishing of the obligations of the Mortgagor under this Charge, and any other exercise by the Mortgagee of any remedies available to it against the Mortgagor.

Q. EVENTS OF DEFAULT

The occurrence of any of the following shall constitute a default under this Charge (each, an “**Event of Default**”), entitling the Mortgagee to exercise its rights and remedies hereunder and at law:

- (a) the Mortgagor defaults in the payment of any amount due and payable under the Transaction Documents, or any document submitted to the Mortgagee by or on behalf of the Mortgagor in connection therewith;
- (b) the Mortgagor defaults under any one or more of the covenants, conditions, terms, agreements, provisions, and obligations contained in the Transaction Documents, to be kept, observed and performed by the Mortgagor;
- (c) if any petition is filed under any bankruptcy legislation against the Mortgagor or the Mortgagor becomes insolvent, bankrupt, or a trustee in bankruptcy is appointed for the Mortgagor, or the Mortgagor makes a general assignment for the benefit of creditors or goes into liquidation either voluntarily or under an order of a court of competent jurisdiction, or otherwise acknowledges insolvency, or if the Mortgagor otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights, or consents to, or acquiesces in, the filing of such a petition;
- (d) the entering or obtaining of a decree or order of a court of competent jurisdiction adjudging the Mortgagor a bankrupt or insolvent, or approving as properly filed a petition seeking the winding-up of the Mortgagor under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), or the *Winding Up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws;
- (e) the taking of possession, by appointment of a receiver, receiver and manager, or otherwise, of any portion of the Property;
- (f) if any execution, distress, sequestration or any other process of any court becomes registered or enforceable against the Property or any part thereof;
- (g) the Mortgagor fails to satisfy any judgment order or decree for the payment of money within the time stipulated therein for satisfying the same and if no time is stipulated any judgment

order or decree remains unsatisfied for thirty (30) days;

- (h) any default by the Mortgagor under any agreement, document or instrument relating to any indebtedness for borrowed money owing to any Person other than the Mortgagee in connection with any guarantee, charge, security, lien, letter of credit, indemnity or any other type of instrument in favour of any Person other than the Mortgagee, including any charges ranking in priority to the Charge;
- (i) there is registered against title to the Property a construction lien which is not discharged within a period of 10 days from the date of the registration thereof; and/or
- (j) In the event that any Hazardous Substance is discovered in, on, or under the Property or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Mortgagee within ten (10) days after demand therefore by the Mortgagee.

R. EXERCISE OF CERTAIN REMEDIES

If any of the events or circumstances constituting an Event of Default has occurred, the Mortgagee may (but shall have no obligation to), from time to time and in any order, separately or in combination, and after giving the minimum notice, if any, required by applicable law and obtaining court approval where necessary, enforce any remedy available to it at law, or in equity, or contained in the Transaction Documents, including, without limitation, any one or more of the following remedies, the cost of which shall be for the sole account of the Mortgagor and which shall be added to the Principal Amount secured by the Charge:

- (a) at the expense of the Mortgagor, and when and to such extent as the Mortgagee deems advisable, observe and perform, or cause to be observed and performed, any covenants, conditions, terms, agreements, provisions and obligations pertaining to the Property;
- (b) pay any outstanding amounts to any Person, including any prior and/or subsequent mortgages registered against the Property;
- (c) send or employ an inspector or agent to inspect and report upon the value, state, and condition of the Property, and a solicitor to examine and report upon the title to the same;
- (d) personally, or through its agents, enter into possession of all or part of the Property and whether in or out of possession collect the rents and profits thereof, and make any demise or lease of the Property, or any part thereof, for such terms and periods and at such rents as the Mortgagee deems appropriate;
- (e) make such arrangements, including, without limitation, make such contracts with such Persons as it may deem appropriate, for constructing any services, building, structure, improvement or facility or for completing the construction of, repairing, or putting in order any services, buildings, structures, facilities or improvements forming or to form part of the Property, as the Mortgagee may deem expedient;
- (f) enter, seize, and distrain upon the Property, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises, as much of the Obligations as shall from time to time be or remain in arrears and unpaid, together with all

costs, charges, and expenses attending such levy or distress, as in like cases of distress for rent;

- (g) at its sole option declare the whole of the Obligations to be immediately due and payable by the Mortgagor to the Mortgagee;
- (h) take judicial proceedings to foreclose the Mortgagor's and/or any other Person's interest in all or any part of the Property or any lease, to take possession of the Property, and/or sell, lease, or otherwise deal with it;
- (i) appoint in writing a receiver (which term as used herein includes a receiver and manager) of all or any part of the Property and the rents and other income thereof and from time to time remove any receiver and appoint another in its place, or in the alternative appoint a property manager;
- (j) with or without taking possession, take any action or proceedings to enforce the performance of any covenants, contracts or obligations in favour of the Mortgagor relating to the Property;
- (k) amend, negotiate, terminate, or modify any agreement including, without limitation, any tenant leases, relating to the Property;
- (l) apply for zoning by-law amendments, official plan amendments, site plan amendments or any amendments to any development plans or any other plans relating to the development of or construction on the Property;
- (m) take such action or make such arrangements as it may deem appropriate to effect the discharge of any construction liens registered against title to the Property and may deal with any certificate of action pertaining to any such construction liens in any manner the Mortgagee deems appropriate;
- (n) exercise in respect of each insurance policy, insurance trust agreement, lease, rent and benefit assigned to the Mortgagee the remedies exercisable by the Mortgagee in respect of all (or any part) of the Property; and/or
- (o) exercise any other rights or remedies which the Mortgagee may have, whether pursuant to the Transaction Documents, at law, in equity, by contract or otherwise.

This is Exhibit "E" referred to in the Affidavit of Jeffrey Burt affirmed remotely this 26th day of November 2025.

A handwritten signature in black ink that reads "Stephen Gaudreau". The signature is written in a cursive style with a prominent loop at the end of the last name.

Commissioner for Taking Affidavits (or as may be)

Stephen Gaudreau

Court File No. CV-25-00004469-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

THE MOAMER BASHI (2019) FAMILY TRUST and 2604956 ONTARIO INC.

Plaintiffs

and

BRONTE LIMITED PARTNERSHIP, BRONTE GP INC., ALLIANCE UNITED CORPORATION, JOHN MEHLENBACHER, DIANE BERTOLIN, SARMAAD GANNI a.k.a. SAM GANNI and NAWAR MAHFOOTH

Defendants

STATEMENT OF DEFENCE

1. Except as expressly admitted herein, the Defendants, Bronte Limited Partnership, Bronte GP Inc., Alliance United Corporation, John Mehlenbacher, Diane Bertolin, Sarmad Ganni a.k.a. Sam Ganni, and Nawar Mahfooth (hereinafter the “**Defendants**”) deny the allegations contained in the Statement of Claim and put the Plaintiffs to the strict proof thereof.

The First Promissory Note

2. On or about September 12, 2022, the Defendants Alliance United Corporation, Sam Ganni, Diane Bertolin, Nawar Mahfooth and John Mehlenbacher executed a promissory note in favour of The Moamer-Bashi (2019) Family Trust for the principal sum of \$2,500,000 plus interest at a rate of 10% per annum (hereinafter the “**First Promissory Note**”).

3. The principal and accrued interest in the First Promissory Note was repayable in full on or before January 8, 2023 or such later date as may be established as the closing date for the purchase transaction on a property at 177 Cross Avenue in Oakville Ontario (“**Cross Ave Project**”), but by no later than March 31, 2023.

4. Pursuant to the First Promissory Note, The Moamer-Bashi (2019) Family Trust was to advise the borrowers by November 1, 2022 if it decided not to invest in Cross Ave Project.

5. The Defendants Bronte Limited Partnership or Bronte GP Inc. are not parties to the First Promissory and do not agree to pay any amounts to the Moamer-Bashi (2019) Family Trust under the First Promissory Note. Further, no funds from the First Promissory Note were provided to or used by Bronte Limited Partnership or Bronte GP Inc. The funds advanced under the Promissory Note were advanced for the Cross Ave Project.

6. The Defendants Alliance United Corporation, Sam Ganni, Diane Bertolin, Nawar Mahfooth and John Mehlenbacher did not repay the Promissory Note on or before its maturity date of January 8, 2023 or March 31, 2023.

Second Promissory Note

7. On or about April 7, 2025, the Defendants Bronte Limited Partnership and its general partner Bronte GP Inc. along with Sam Ganni, Diane Bertolin, Nawar Mahfooth and John Mehlenbacher executed a Promissory Note in favour of 2604956 Ontario Inc. in the principal amount of \$590,997.95 plus interest at a rate of 15% per annum (“**Second Promissory Note**”).

8. The funds in the Second Promissory Note were advanced by 2604956 Ontario Inc. for the purpose of paying building permit fees to the Town of Oakville relating to the property as 85 Bronte Road, Oakville Ontario (“**Bronte Property**”).
9. The principal plus all accrued interest on the Second Promissory Note was repayable in full on or before May 22, 2025.
10. Pursuant to the Second Promissory Note, 2604956 Ontario Inc. was given a second mortgage on the Bronte Property. The mortgage was to be held in escrow.
11. The Defendants Bronte Limited Partnership, Bronte GP Inc., Sam Ganni, Diane Bertolin, Nawar Mahfooth and John Mehlenbacher did not repay the Second Promissory Note on or before May 22, 2025.
12. Prior to May 22, 2025, the Defendants Bronte Limited Partnership, Bronte GP Inc., Sam Ganni, Diane Bertolin, Nawar Mahfooth and John Mehlenbacher advised 2604956 Ontario Inc. that they would not be able to repay the Second Promissory Note on or before May 22, 2025.
13. It was agreed that the Defendants Bronte Limited Partnership, Bronte GP Inc., Sam Ganni, Diane Bertolin, Nawar Mahfooth and John Mehlenbacher would enter into a Commitment Letter with 2604956 Ontario Inc. as of May 7, 2025 that provided for the extension of the amount loaned under the Secondary Promissory Note in accordance with the terms of the Commitment letter. The Commitment Letter was entered into on or about July 18, 2025.
14. Pursuant to the Commitment Letter, the Defendants Bronte Limited Partnership, Bronte GP Inc., Sam Ganni, Diane Bertolin, Nawar Mahfooth and John Mehlenbacher understood that

the maturity date of the Second Promissory Note was extended in accordance with the terms of the Commitment Letter.

No Liability on the First Promissory Note

15. The Defendants Bronte Limited Partnership and Bronte GP Inc. deny that they were parties to or have any liability to the Plaintiffs pursuant to the First Promissory Note. Bronte Limited Partnership and Bronte GP Inc. are not jointly or severally liable for any amounts owing under the First Promissory Note and put the Plaintiffs to the strict proof thereof.

16. The Defendants Alliance United Corporation, Sam Ganni, Diane Bertolin, Nawar Mahfooth and John Mehlenbacher plead that the claim in respect of the First Promissory Note is statute barred. The Statement of Claim was issued more than 2 years after the March 31, 2025.

17. The Defendants plead and rely upon the *Limitations Act, 2002*, S.O. 2002, c. 24, Sched. B.

No Liability on the Second Promissory Note

18. The Defendant Alliance United Corporation is not a party to the Second Promissory Note or the Commitment Letter. It denies that it is jointly or severally liable for any amounts that may be owing under the Second Promissory Note, and puts the Plaintiffs to the strict proof thereof.

19. The Defendants Bronte Limited Partnership, Bronte GP Inc., Sam Ganni, Diane Bertolin, Nawar Mahfooth and John Mehlenbacher plead that the Second Promissory Note was extended by the Commitment Letter and that no amounts under the Second Promissory Note are currently due and owing.

20. The Defendants Bronte Limited Partnership, Bronte GP Inc., Sam Ganni, Diane Bertolin, Nawar Mahfooth and John Mehlenbacher deny that the Plaintiffs are entitled to the relief sought in the Statement of Claim in respect of the Second Promissory Note.

21. The Defendants Bronte Limited Partnership, Bronte GP Inc., Alliance United Corporation, John Mehlenbacher, Diane Bertolin, Sarmad Ganni a.k.a. Sam Ganni, and Nawar Mahfooth request that the claim be dismissed with costs.

October 27, 2025

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Alliance United Corporation, John
Mehlenbacher, Diane Bertolin, Sarmad Ganni
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Lawyer for the Plaintiffs,
The Moamer Bashi (2019) Family Trust and 2604956 Ontario Inc.

THE MOAMER BASHI (2019) FAMILY TRUST et al. -and-
Plaintiffs

BRONTE LIMITED PARTNERSHIP et al.
Defendants

Court File No. CV-25-00004469-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
BRAMPTON

STATEMENT OF DEFENCE

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United Corporation, John Mehlenbacher, Diane Bertolin,
Sarmad Ganni a.k.a. Sam Ganni and Nawar Mahfooth

Email for party served:

Mr. Alexander Hora: ahora@garfinkle.com

This is Exhibit "F" referred to in the Affidavit of Jeffrey Burt affirmed remotely this 26th day of November 2025.

A handwritten signature in black ink that reads "Stephen Gaudreau". The signature is written in a cursive style with a large initial 'S'.

Commissioner for Taking Affidavits (or as may be)

Stephen Gaudreau

From: [Stephen Gaudreau](#)
To: [Sara Erskine](#)
Cc: [Timothy Dunn](#); [Ariyana Botejue](#)
Subject: CNMLS v. Bronte et al.
Date: November 20, 2025 4:45:10 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image007.png](#)
[image009.png](#)
[image011.png](#)

Hello Sara:

I am writing to advise that since the hearing yesterday we have been informed that the in April 2025 the Beneficial Owner obtained additional financing in the amount of \$590K for the Project and granted a second mortgage against the Bronte Property as security for the financing. We further understand that the second mortgagee has commenced a claim to collect on the debt and enforce its rights under the mortgage. I understand that your clients are well aware of this and have defended the action.

This is a clear additional default under the Commitment Letter and the Mortgage. Additionally, the failure to disclose the second mortgagee and the claim are additional defaults under the Commitment Letter and the Mortgage.

Please consider this email as fair warning and notice that my client will be relying on these defaults as additional grounds for the relief sought in its Receivership Application and it will be incorporated into our reply affidavit and reply factum.

Thank you,

Stephen

 **Blaney
McMurtry** LLP
2 Queen Street East | Suite 1500
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Stephen Gaudreau
Partner

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Court File No. CL-25-00753553-0000

CMLS FINANCIAL LTD.

-and-

BRONTE LAKESIDE LTD. and BRONTE LIMITED
PARTNERSHIP

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT **TORONTO**
(COMMERCIAL LIST)

REPLY AFFIDAVIT OF JEFFREY BURT

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Lawyers for the Applicant

CMLS FINANCIAL LTD.

-and-

BRONTE LAKESIDE LTD. and BRONTE LIMITED
PARTNERSHIP

Applicant

Respondents

See Service List for Email Addresses of Recipients

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT TORONTO

REPLY APPLICATION RECORD
(Receivership Hearing returnable December 2, 2025)

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