Court File No. CV-23-00004340-0000

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

B E T W E E N:

CANADIAN WESTERN BANK

Applicant

and

20 CALDARI DEVELOPMENT INC.

Respondent

APPLICATION RECORD

November 21, 2023

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Barristers & Solicitors
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Commerce Court Postal Station
Toronto, ON M5L 1G4

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Lawyers for the Applicant

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SERVICE LIST

TO: **MINISTRY OF FINANCE (ONTARIO)**
Legal Services Branch
33 King Street West, 6th Floor
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Email: insolvency.unit@ontario.ca

AND TO: **CANADA REVENUE AGENCY**
c/o Department of Justice
Ontario Regional Office
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AND TO: **THE AURORA HOTEL GROUP INC.**
c/o Akash Aurora, President
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AND TO: **RAVI AURORA, CEO**
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Court File No. CV-23-00004340-0000

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

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20 CALDARI DEVELOPMENT INC.

Respondent

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I.	Exhibit “I” -	Affidavit and Supplementary Affidavit of Jay Khanna sworn May 19, 2023 without exhibits
J.	Exhibit “J” -	City of Vaughan Realty Tax Statement
K.	Exhibit “K” -	Amending Agreement dated March 31, 2023
L.	Exhibit “L” -	Letter dated June 30, 2023 from Dickinson Wright LLP
M.	Exhibit “M” -	Demand Letter and Notice of Intention to Enforce Security dated September 29, 2023
3.	Consent of the Receiver	
4.	Draft Order	
5.	Blackline to Model Receivership Order	

Tab 1

Electronically filed / Déposé par voie électronique : 15-Nov-2023
Brampton Superior Court of Justice / Cour supérieure de justice

Court File No./N° du dossier du greffe : CV-23-00004340-0000

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

B E T W E E N:

CANADIAN WESTERN BANK

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and

20 CALDARI DEVELOPMENT INC.

Respondent

NOTICE OF APPLICATION

TO THE RESPONDENT

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 writing
☐ In person
☐ By telephone conference
☒ By video conference

on Tuesday, December 5, 2023.

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 NOVEMBER 21, 2023 Issued by Tariq Aziz

Digitally signed by Tariq Aziz
DN: c=ca, st=on, o=Government of Ontario, ou=People, cn=Tariq Aziz, serialNumber=DSAP501285
Date: 2023.11.21 09:20:41 -05'00'

Local Registrar

Address of court office: Superior Court of Justice
7755 Hurontario Street
Brampton, ON
L6W 4T6

TO: **ATTACHED SERVICE LIST**

APPLICATION

1. The Applicant, Canadian Western Bank, makes application for:

   (a) an order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "*BIA*"), and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 (the "*CJA*"), appointing Ernst & Young Inc., as receiver and manager over all of the property, assets and undertakings of the Respondent, substantially in the form of the draft order attached hereto as Schedule "**A**"; and;

   (b) such further and other relief as this Honourable Court may deem to be just.

2. THE GROUNDS FOR THE APPLICATION ARE:

   (a) The Respondent owns the real property known municipally as 20 Caldari Road, Vaughan, ON (the "**Property**");

   (b) CWB advanced a secured loan to the Respondent which has been in default since August 2022 and matured on June 30, 2023;

   (c) CWB holds first-ranking security over all of the Respondent's assets, including the Property;

   (d) Over the past 13 months, notwithstanding that CWB has accommodated the Respondent's requests for additional time to obtain financing, the Respondent has failed to provide CWB with the financial reporting required under loan agreement and defaulted in repayment of the loan by the extended maturity date of June 30, 2023;

(e) As a result, on June 30, 2023, CWB informed the Respondent that it could no longer provide financial support and requested that the Respondent make alternative financing arrangement to repay the indebtedness to CWB by September 28, 2023;

(f) The Respondent failed to cure the reporting defaults and repay the amount owing to CWB by September 28, 2023;

(g) On September 29, 2023 CWB issued a formal demand for payment by the Respondent and a notice of intention to enforce security under Section 244 of the BIA;

(h) Notwithstanding such demand, and the expiry of the 10 day notice period, the Respondent remains in default of its obligations to CWB and has failed to repay its indebtedness to CWB, in the amount of $8,431,306.98, as at September 28, 2023, plus legal fees and interest which continues to accrue;

(i) There is an ongoing dispute and deadlock between the Respondent's two equal shareholders and directors, which is the subject of a pending oppression application in the Ontario Superior Court of Justice (the "**Oppression Application**");

(j) It appears from the evidence in the Oppression Application that the Respondent has never filed income tax returns or paid any income tax or HST, and that there are arrears of real property tax owing in respect of the Property of $166,422.00;

(k) CWB has lost confidence in the Respondent's ability to repay its loan;

(l) In the circumstances, it is just and convenient in the circumstances to appoint a receiver over the Respondent's business, and property; and

(m) such further and other relief as to this Honourable Court may seem just.

3. The following documentary evidence will be used at the hearing of the application:

(a) The Affidavit of Tyson Hartwell sworn October 19, 2023 and the Exhibits thereto;

(b) The Consent of Ernst & Young Inc.; and

(c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

(Date of issue)

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AND TO: **CANADA REVENUE AGENCY**
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AND TO: **AKASH AURORA**
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AND TO: **THE AURORA HOTEL GROUP INC.**
c/o Akash Aurora, President
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AND TO: **RAVI AURORA, CEO**
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Schedule "A"

Court File No. CV-23-00695725-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	DAY, THE th
	)	
JUSTICE	)	DAY OF DECEMBER, 2023

IN THE MATTER OF 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

B E T W E E N:

CANADIAN WESTERN BANK

Applicant

\- and -

20 CALDARI DEVELOPMENT INC.

Respondent

O R D E R

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 Ernst & Young Inc., as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 20 Caldari Development Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard on ●, 2023, via judicial videoconference, at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Tyson Hartwell sworn October 19, 2023 and the Exhibits thereto, the consent of Ernst & Young Inc. to act as the Receiver, and on hearing the submissions of counsel for the Applicant, Canadian Western Bank, and counsel for the Respondent, no one else appearing, although served, as appears from the affidavits of service dated November , 2023 filed,

APPOINTMENT

1. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Ernst & Young 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").

RECEIVER'S POWERS

2. 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 construction managers, project managers, contractors, subcontractors, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, property 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 $150,000.00, provided that the aggregate consideration for all such transactions does not exceed $500,000.00; 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.

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. 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.

4. THIS COURT ORDERS that all Persons including, without limitation, Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., and each of them 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.

5. THIS COURT ORDERS that all Persons, including, without limitation, Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., and each of them shall be required to cooperate and share information with the Receiver in connection with all books and records, contracts, agreements, permits, licences and insurance policies and other documents in respect of the Debtor and/or the Property. In addition to the foregoing general cooperation and information sharing requirements, Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., shall be required to do the following things: (a) in respect of any and all such contracts, agreements, permits, licences and insurance policies and other documents (1)

maintain them in good standing and provide immediate notice and copies to the Receiver of any communications received from regulators or providers in respect thereof; (2) provide immediate notice to the Receiver of any material change and/or pending material change to the status quo in respect thereof; and (3) provide thirty days' notice of any renewal days, termination date, election date or similar date in respect thereof; and (b) assist, and cooperate with, the Receiver in obtaining any further permits and licences that may be required.

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

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons, including without limitation Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects

identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as

security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $350,000.00 (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.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

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

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

24. THIS COURT ORDERS that the E-Service Protocol (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 ____________________.

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

GENERAL

26. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

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

29. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _______________

AMOUNT $______________________

1. THIS IS TO CERTIFY that Ernst & Young Inc., the receiver (the "Receiver") of the assets, undertakings and properties of 20 Caldari Development Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ● th day of December, 2023 (the "Order") made in an action having Court file number CV-23_________________, has received as such please insert court file # 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 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__.

Ernst & Young Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: ____________________________________

Name:

Title:

Electronically filed / Déposé par voie électronique : 15-Nov-2023
Brampton Superior Court of Justice / Cour supérieure de justice

CANDIAN WESTERN BANK
Applicant

-and-

20 CALDARI DEVELOPMENT INC.
Respondent

ONTA
SUPERIOR COUR

PROCEEDING CO
BRAMP

NOTICE OF AP

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, Box 447
Commerce Court Postal Station
Toronto, ON M5L 1G4

LISA S. CORNE (27974M)
Tel: 416-777-0101
Fax: 1-844-670-6009

Lawyers for the Applicant

Tab 2

Court File No.

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

B E T W E E N:

CANADIAN WESTERN BANK

Applicant

\- and -

20 CALDARI DEVELOPMENT INC.

Respondent

AFFIDAVIT OF TYSON HARTWELL

(Sworn October 19, 2023)

I, TYSON HARTWELL, of the City of Calgary, in the Province of Alberta, **MAKE OATH AND SAY**:

1. I am an Assistant Vice President, Special Asset Management of the Applicant, Canadian Western Bank ("**CWB**") and have knowledge of the matters to which I hereinafter depose, except those matters expressly stated to be based upon information provided to me by others, in which case I believe such information to be true.

2. I am swearing this affidavit in support of an Application to appoint a receiver and manager of all of the assets, undertakings and properties of the Respondent, 20 Caldari Development Inc. (the "**Debtor**").

3. The Debtor is indebted to CWB in connection with a secured loan which has been in default since August 2022, and matured on June 30, 2023. Given the Debtor's ongoing default in the financial reporting required under the loan agreement, CWB informed the Debtor that it could no longer continue to support the Debtor and requested that the Debtor make alternative financing arrangements to repay its indebtedness to CWB by September 28, 2023. Notwithstanding CWB's request, the Debtor failed to repay its indebtedness to CWB.

4. On September 29, 2023, CWB issued a written demand for payment and Notice of Intention to Enforce its Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act*, RSC, 1985, c. B-3, as amended (the "**BIA**"). As of September 28, 2023, the amount of $8,431,306.98 remains owing by the Debtor to CWB, not including enforcement and other costs and expenses.

BACKGROUND

5. The Debtor is a corporation incorporated pursuant to the laws of the Province of Ontario with its registered head office located at 20 Caldari Road, Vaughan, Ontario. A copy of the Ontario Corporate Profile Report in respect of the Debtor is attached as **Exhibit A**.

6. The shares of the Debtor are owned equally by Jay Khanna ("**Khanna**") and Nakul Aurora. As appears from the Corporate Profile Report, both Khanna and Nakul Aurora are named as Directors of the Debtor.

7. The Debtor owns the real property known municipally as 20 Caldari Road, in Vaughan, Ontario (the "**Property**"). The Property consists of a 95,770 square foot site, improved with a 31,500 square foot steel, two storey building which includes both warehouse and office space, and is divided into several units. The largest unit in the building is occupied by the Aurora Hotel Group Inc., a company controlled by the Aurora family. The remaining units are leased to other commercial tenants.

LOAN AND SECURITY

8. On November 23, 2021, CWB advanced a secured loan to the Debtor in the principal amount of $8,640,000, pursuant to a commitment letter dated August 26, 2021 (the "**Loan Agreement**"). A copy of the Loan Agreement is attached as **Exhibit B**. The purpose of the loan was to refinance existing debt secured against the Property.

9. As security for the Debtor's obligations under the Loan Agreement, the Debtor granted to CWB, among other security, a mortgage over the Property in the original principal amount of $13,120,000 (the "**Mortgage**"). A copy of the Mortgage which was registered on title to the Property on November 23, 2021 is attached as **Exhibit C**.

10. A copy of the Parcel Register in respect of the Property is attached as **Exhibit D**. Apart from the Mortgage registered in favour of CWB, there are no other financial encumbrances registered on title to the Property.

11. As additional collateral security for the payment and performance of the Debtor's obligations to CWB, CWB holds a security interest in all of the Debtor's present and future

personal property and undertakings pursuant to a General Security Agreement dated November 24, 2021 (the "**GSA**"). A copy of the GSA is attached as **Exhibit E**.

12. On November 24, 2021, CWB registered its security interest in all of the Debtor's personal property pursuant to the *Personal Property Security Act* (Ontario) ("**PPSA**"). A copy of the Enquiry Response Certificate in respect of security registered against the Debtor under the PPSA is attached as **Exhibit F**. The Enquiry Response Certificate discloses that the only registration under the PPSA in respect of the Debtor is in favour of CWB, against collateral described as inventory, equipment, accounts, other and motor vehicles.

DEFAULT

13. On August 26, 2022, CWB sent a formal Notice of Default to the Debtor confirming that the Debtor was in default under the Loan Agreement for failure to provide annual financial statements prepared by a firm of qualified professional accountants and quarterly internal financial statements for both the Debtor and the Aurora Hotel Group. A copy of the Notice of Default dated August 26, 2022 issued by CWB to the Debtor is attached as **Exhibit G**. Notwithstanding the Notice of Default delivered by CWB, the Debtor remains in default of the above reporting covenants.

14. In December 2022, Khanna commenced an Application in the Ontario Superior Court of Justice (court file No. CV-22-00692176-0000) against Nakul Aurora and the Debtor., claiming relief pursuant to sections 207 and 248 of the Ontario *Business Corporations Act*, including, among other remedies, the appointment of a receiver and a winding up order (the "**Oppression Application**"). A copy of the issued Notice of Application in the Oppression Application is

attached as Exhibit H. Copies of Khanna's Affidavits sworn in the Oppression Application, without exhibits, are attached collectively as **Exhibit I.**

15. It appears from Khanna's Affidavits sworn in the Oppression Application that the Debtor has never prepared or remitted any income tax returns, and has not paid any income tax or HST. In addition, it appears from the real property tax statement issued in respect of the Property that arrears of realty taxes in the approximate amount of $166,422 are owing to the City of Vaughan in respect of the Property A copy of the realty tax statement issued by the City of Vaughan in respect of the Property is attached as **Exhibit J**.

16. In March 2023, CWB agreed to extend the maturity date of the Mortgage until June 30, 2023. A copy of the Amending Agreement which was acknowledged by the Debtor is attached as **Exhibit K.**

17. Notwithstanding the extension, the Debtor failed to repay its indebtedness to CWB by June 30, 2023. Given the lack of transparency into the Debtor's financial position resulting from the Debtor's ongoing default in financial reporting, CWB informed the Debtor that it could no longer continue to offer its support and requested that the Debtor make alternative financing arrangements and repay its indebtedness in full by no later than September 28, 2023. A copy of the letter dated June 30, 2023 from Dickinson Wright LLP, counsel to CWB, to the Debtor is attached as **Exhibit L**.

18. Notwithstanding CWB's indulgence and continued accommodation of the Debtor, the Debtor failed to repay its indebtedness as required by September 28, 2023. On September 29, 2023, CWB, through its counsel, made formal demand for repayment of the Debtor's indebtedness

and delivered a Notice of Intention to Enforce Security pursuant to Section 244 of the BIA. Copies of the demand letter and Notice of Intention to Enforce Security dated September 29, 2023 are attached collectively as **Exhibit M.**

19. In light of the Debtor's continuing defaults under the Loan Agreement, and the ongoing dispute and deadlock between the Debtor's two equal shareholders, and Directors, CWB has lost confidence in the existing management of the Debtor and is concerned that the Debtor's financial position will deteriorate further as time passes and the interest and penalties imposed by the taxing authorities continue to increase.

20. In the circumstances, I believe that it is just and convenient that a receiver and manager be appointed immediately by this honourable Court over the assets, undertakings, and property of the Debtor. A court-appointed receivership will ensure a fair and transparent sale process for the disposition of the Property and provide a forum for the determination of the relative priorities among CWB's secured claim, the claims of Canada Revenue Agency in respect of unpaid income tax, and HST, and the claim by the municipality in respect of outstanding real property taxes.

SWORN by TYSON HARTWELL of the City of Calgary, in the Province of Alberta, on October 19, 2023.

Commissioner for Taking Affidavits
(or as may be)

TYSON HARTWELL

This is Exhibit “A” referred to in the
AFFIDAVIT OF TYSON HARTWELL
SWORN BEFORE ME by videoconference
at the City of Toronto, in the Province of
Ontario, on this 19th day of October, 2023.

____
Commissioner for Taking Affidavits (or as may be)

031

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

20 CALDARI DEVELOPMENT INC. as of October 11, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	20 CALDARI DEVELOPMENT INC.
Ontario Corporation Number (OCN)	2775696
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	September 03, 2020
Registered or Head Office Address	20 Caldari Road, Concord, Ontario, Canada, L4K 4N8

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.

032

Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	NAKUL AURORA
Address for Service	61 Beckenridge Drive, Markham, Ontario, Canada, L3S 2V3
Resident Canadian	Yes
Date Began	September 03, 2020

Name	JAY N KHANNA
Address for Service	428 Breckonwood Road, Burlington, Ontario, Canada, L7L 2T7
Resident Canadian	Yes
Date Began	September 03, 2020

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.

033

Active Officer(s)

Name	NAKUL AURORA
Position	President
Address for Service	61 Beckenridge Drive, Markham, Ontario, Canada, L3S 2V3
Date Began	September 03, 2020

Name	JAY N KHANNA
Position	Secretary
Address for Service	428 Breckonwood Road, Burlington, Ontario, Canada, L7L 2T7
Date Began	September 03, 2020

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.

034

Corporate Name History

Name	20 CALDARI DEVELOPMENT INC.
Effective Date	September 03, 2020

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.

035

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.

036

Expired or Cancelled Business Names

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

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

V. Quintanilla W.

Director/Registrar

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

Document List

Filing Name	Effective Date
Archive Document Package	May 04, 2023
CIA - Notice of Change PAF: NAKUL AURORA - DIRECTOR	July 14, 2021
BCA - Articles of Incorporation	September 03, 2020

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

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

This is Exhibit “B” referred to in the
AFFIDAVIT OF TYSON HARTWELL
SWORN BEFORE ME by videoconference at the City of Toronto, in the Province of Ontario, on this 19th day of October, 2023.

Commissioner for Taking Affidavits (or as may be)

059

CWB Financial Group

August 26, 2021

20 Caldari Development Inc.
20 Caldari Road
Vaughan, ON L4K 4N8

Attention: Mr. Nakul Aurora and Mr. Jay Khanna

Dear Sirs:

On the basis of the financial statements and other information provided by 20 Caldari Development Inc. (the "Borrower"), and by Nakul Aurora, Akash Aurora, Jay Khanna, Aurora Hotel Group Inc., JIS Contract Furniture Inc. and 2107307 Ontario Inc. (the "Guarantor(s)") in connection with your request for financing, Canadian Western Bank (the "Bank") has authorized the following loan(s) subject to the terms and conditions outlined in this Commitment Letter (the "Agreement").

1. **LOAN AMOUNT:**

1.1. Loan Segment (1): Demand Loan $8,640,000.

1.2. Loan Segment (2): Letter of Credit/Guarantee (L/C) $2,000.

Collectively referred to as "the Loans".

2. **PURPOSE OF LOAN:**

Amounts advanced by the Bank are to be used by the Borrower as follows:

2.1. Loan Segment (1): To provide term financing over property legally described as PCL 1-1 SEC 65M2681; LT 1 PL 65M2681; S/T LT552714, LT586315; S/T LT546620, LT546628 VAUGHAN, PIN 032760125 and civically known as 20 Caldari Road, Vaughan, ON ("the Project").

2.2. Loan Segment (2): Provided in favour of Alectra Hydro (the "Beneficiary").

3. **INTEREST RATE:**

Loans shall bear interest while outstanding before and after maturity and default at the following rates:

3.1. Loan Segment (1): The interest rate payable shall be a fixed annual rate, calculated and compounded monthly, not in advance which, subject to availability of funds, the Bank shall exercise its best efforts to obtain funds on a fixed rate basis acceptable to the Borrower and the Bank for the term selected. The following rates are provided for reference purposes only and are subject to fluctuations up to and including the date of drawdown.

TERM	INTEREST RATE	INITIAL CHOICE OF TERM
1 Year	2.55%	X
2 Years	2.95%	
3 Years	3.35%	

Unless otherwise specified, all interest shall be payable without demand on the dates specified by the Bank and shall be calculated daily, compounded monthly. Overdue interest shall bear interest at the same rate.

Suite 101, Plaza 1, 2000 Argentia Road, Mississauga, ON L5N 1P7
t. 289.998.2688 | F. 833.341.7556
cwb.com

OBSESSED WITH YOUR SUCCESS™

NA

4. ADVANCES:

4.1. Loan segment (1): Shall be advanced on a lump sum basis following satisfaction of the Conditions Precedent as set forth in Schedule "C" herein attached.

4.2. Loan segment (2): Shall be advanced on a lump sum basis following satisfaction of the Conditions Precedent as set forth in Schedule "C" herein attached.

5. TERM AND LOAN MATURITY DATE:

5.1. Loan Segment (1): The Loan is repayable in full, together with all interest, costs and charges, the earlier of 1 – 3 years (the "Loan Maturity Date") or the date payment is demanded as a result of default by the Borrower.

5.2. Loan Segment (2): The Loan is repayable in full, together with all interest, costs and charges, the earlier of 12 months from the date of issuance (the "Loan Maturity Date") or the date payment is demanded as a result of default by the Borrower.

6. REPAYMENT:

All amounts outstanding under all segments shall be repaid on demand. Unless demanded, the Bank will accept payment as follows:

6.1. Loan Segment (1): An interest adjustment shall be payable for the period from the date of advance to the first day of the month following the date of advance and shall be deducted from the amount of the advance. Thereafter, so long as the loan is not in default, the Borrower shall make monthly blended payments of principal and interest each in an amount sufficient to amortize the loan, at the interest rate, over a 25 year period, payable the first day of each month.

6.2. Loan Segment (2): If called upon by the Beneficiary.

7. PREPAYMENT:

7.1. Loan Segment (1): The Borrower may prepay the whole, but not part, of the sum unpaid principal balance under the loan(s) at any time, by payment of a prepayment charge equal to the greater of the following:

(a) three (3) months interest calculated on the unpaid principal balance at the rate provided herein; or

(b) a prepayment charge equal to the Bank's Unwinding Costs.

8. AVAILABILITY:

8.1. Loan Segment (1): Subject to satisfaction or waiver by the Bank of all conditions, the Loan(s) will be advanced in one lump sum.

8.2. Loan Segment (2): Subject to satisfaction or waiver by the Bank of all conditions, the Loan(s) will be advanced in one lump sum.

9. SECURITY AND SUPPORTING DOCUMENTS:

The attached Schedule "A" forms part of this Agreement.

NH

10. **INSURANCE:**

The attached Schedule "B" forms part of this Agreement.

10.1. Assignment of all risk (including flood and collapse), fire and theft replacement cost insurance satisfactory to the Bank covering all machinery, equipment, fixtures and building which shall contain the Standard Mortgage Clause approved by the Insurance Bureau of Canada. The policy shall contain comprehensive general Public Liability coverage of not less than $5,000,000.

11. **CONDITIONS PRECEDENT TO DRAWDOWN:**

The attached Schedule "C" forms part of this Agreement.

12. **GENERAL CONDITIONS/EVENTS OF DEFAULT:**

The attached Schedule "D" forms part of this Agreement.

13. **REPORTING REQUIREMENTS:**

The attached Schedule "E" forms part of this Agreement.

14. **STANDARD LOAN TERMS & DEFINITIONS:**

The attached Schedule "F" forms part of this Agreement.

15. **FEES:**

15.1. The Bank acknowledges prior receipt of the sum of $30,000, representing the non-refundable portion of the full commitment fee ($58,000). This fee was paid in consideration to the Bank for the completion of the loan application. Upon acceptance of this Agreement by the Borrower, the entire fee shall be deemed to have been fully earned and shall not be refundable under any circumstances. The borrower may have the option to pay the balance of the commitment fee ($28,000) by way of bank draft or have the amount deducted from the loan advance.

15.2. The Borrower shall pay an annual review fee of $10,000 each year in conjunction with the annual review (based on the Borrower's fiscal yearend financial statements) to renew outstanding loans.

15.3. The Borrower shall pay a late reporting fee of $120 per month, or portion thereof, shall apply for the late provision of annual financial statements/reporting after expiry of the 120 period.

15.4. Renewal Fee – The Borrower will pay a renewal fee of 0.10%% of the principal sum outstanding to renew the loan for an extended term of 1 – 5 year(s).

15.5. The Borrower shall pay an L/C fee of 2% upon issuance as well as for each subsequent renewal, paid annually.

16. **INTEREST AND FEES:**

The Bank has underwritten the Loan to the Borrower on the basis that the interest rate and fees provided for in this letter will be paid to the Bank over the period from the date of acceptance of this letter to the Loan Maturity Date and that the Loan will be fully repaid by the Loan Maturity Date. The Borrower acknowledges to the Bank that unless the Loan Maturity Date has been extended by agreement between the Borrower and the Bank by the Loan Maturity Date, then the Bank is entitled to be compensated for:

(i) loss of ability to earn additional fee income on the Loan principal after the Loan Maturity Date:

(ii) loss of opportunity to reinvest the Loan funds at then current market rates after the Loan Maturity Date; and

(iii) the increased risk to the Bank of the Loan being outstanding after the Loan Maturity Date;

ND

17. **PARTIAL DISCHARGES:**

17.1. Shall not be permitted.

18. **COSTS:**

The cost of all appraisals and environmental reports, the legal costs of the Bank on a solicitor-client basis, costs of the Bank's insurance consultant and all other reasonable out-of-pocket expenses incurred in the approval and making of the Loan and the preparation, execution, delivery and registration of the Security and Supporting Documents (including the cost of delivering copies of any documents required by law to be given to the Borrower or any other party) or in the collection of any amount owing under the terms of the Loan shall be for the account of the Borrower and may be debited to advances to be made under the terms of the Loan. Until paid, all such costs and expenses shall bear interest at the rate described in Section 3 of this Agreement.

19. **ASSIGNMENT BY BORROWER:**

The Borrower shall not assign or encumber its rights and obligations under the Loan(s), this Agreement or the whole or any part of any advance to be made hereunder, without the prior written consent of the Bank.

20. **BANK'S COUNSEL:**

Legal work and documentation to be performed at the Borrower's expense through the Bank's counsel:

TBD

21. **MATERIAL CHANGE:**

Acceptance of this Agreement by the Borrower provides full and sufficient acknowledgement that if, in the opinion of the Bank, any material adverse change in risk occurs, including without limiting the generality of the foregoing, any material adverse change in the financial condition of the Borrower, any obligation by the Bank to advance all or any portion of the loan may be withdrawn or cancelled at the sole discretion of the Bank, acting in a commercially reasonable manner.

22. **NON-MERGER:**

The terms and conditions set out herein shall not be superseded by nor merge in and shall survive the execution, delivery and/or registration of any instruments of security or evidences of indebtedness granted by the Borrower(s) and/or any Guarantor(s) hereafter, and the advancement of any funds by the Bank. In the event of a conflict between the security documents and the terms of this letter, the terms of the security documents shall govern.

24. **ACCOUNTING CHANGES:**

In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in the Commitment Letter, then the Borrower and the Bank agree to enter into negotiations in order to amend such provisions of the Commitment Letter so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as an amendment shall have been executed and delivered by the Borrower(s) to the Bank all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

Accounting Changes refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants, and all events including changes resulting from implementation of the International Financial Reporting Standards to the extent required by the Canadian Accounting Standards Board.

NA

ACCEPTANCE:

To become effective, this Agreement must be accepted in writing by the Borrower and all Guarantor(s).

If you are in agreement with the above terms and conditions (which includes by reference, all of those terms and conditions set forth in all of the attached Schedules), please sign and return the enclosed copy of this letter. The Borrower may have the option to pay the balance of the commitment fee by way of bank draft or have it deducted from the loan advance. This Agreement will expire if not accepted by September 8, 2021.

The foregoing Agreement is offered in good faith and is to be held in strict confidence.

Yours truly,
CANADIAN WESTERN BANK

Ani Modi
Senior Manager, Business Development

Aneil D'Lima
AVP Commercial Accounts

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ACKNOWLEDGEMENT:

The Borrower(s) certifies that all information provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

BORROWER(S): **20 CALDARI DEVELOPMENT INC.**

Signed: ______________________

Signed: ______________________

Accepted: September 8, 2021
Date

We/I acknowledge receiving advice of the Agreement described above and agree our/my guarantee is binding even if the Bank changes or waives compliance with the terms of this Agreement.

CORPORATE GUARANTOR(S):

Signed:	Aurora Hotel Group Inc.	Accepted:	September 8, 2021 Date
Signed:	JIS Contract Furniture Inc.	Accepted:	September 8, 2021 Date
Signed:	2107307 Ontario Inc.	Accepted:	September 8, 2021 Date

PERSONAL GUARANTOR(S):

Signed:	Jay Khanna	Accepted:	September 8, 2021 Date
Signed:	Nakul Aurora	Accepted:	September 8, 2021 Date
Signed:	Akash Aurora	Accepted:	September 8, 2021 Date

NA

SCHEDULE "A" – TERM LOANS/MORTGAGES

SECURITY

All security documentation described herein must be prepared, executed and registered, as required by the Bank, prior to drawdown of any funds. The types of security, supporting resolutions and agreements to be provided by the Borrower to the Bank will be in form and content satisfactory to the Bank and/or its solicitors, and without restricting the generality of the foregoing, will include:

1. Loan Agreement executed by the Borrower and Guarantor(s);
2. General Security Agreement registered in first position providing a perfected security interest in all of the Borrower's present and after acquired personal property;
3. Demand Collateral Mortgage First Charge in the amount of $13,120,000 on real property described in Section 2 and owned by the Borrower(s). The mortgage document shall contain a "Due on Sale" clause, a Re-advancement clause, as well as a clause addressing the appointment of a Receiver Manager of the property in the event of default. Notwithstanding the registration amount noted above this is not a commitment to finance;
4. Assignment of Rents and Leases, with Estoppels;
5. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by Jay Khanna;
6. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by Nakul Aurora;
7. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by Akash Aurora;
8. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by Aurora Hotel Group Inc., supported by first position GSA;
9. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by JIS Contract Furniture Inc., supported by first position GSA;
10. Full Liability Guarantee(s) in favour of the Bank guaranteeing all indebtedness of the Borrower to the Bank to be provided by 2107307 Ontario Inc., supported by first position GSA;
11. Assignment and Postponement of Creditor's Claim provided by Jay Khanna;
12. Assignment and Postponement of Creditor's Claim provided by Nakul Aurora;
13. Assignment and Postponement of Creditor's Claim provided by Akash Aurora;
14. Assignment and Postponement of Creditor's Claim provided by Aurora Hotel Group Inc.;
15. Assignment and Postponement of Creditor's Claim provided by JIS Contract Furniture Inc.;
16. Assignment and Postponement of Creditor's Claim provided by 2107307 Ontario Inc.;
17. Debt Service Agreement executed by all Guarantor(s);
18. Priority and Standstill Agreement with all subordinated creditors as required;
19. Letter of Credit Agreement;
20. Assignment of Bank Instrument ($2,000 GIC securing L/C);

NA

046 Creditor Life Insurance/Waiver covering the life of principals(s)/guarantors in the Borrower(s);

22. Unconditional and Unlimited Environmental Agreement and Indemnity (Form 1164) executed by the Borrower and Guarantor(s);

23. Assignment of all risk Casualty and Liability insurance as set out under "Insurance", of the Agreement;

24. Solicitor's Letter of Opinion;

25. such of the following supporting documents as may be required by the Bank's solicitors:

    (i) satisfactory Real Property Report/Surveyor's Certificate with respect to the mortgaged property previously described in Section 2;

    (ii) satisfactory Zoning or Building Memorandum, or Letter from applicable Zoning official (Compliance Certificate), from the applicable municipal authority;

    (iii) Tax Certificate showing all property taxes and charges paid or a holdback sufficient to pay taxes when due;

    (iv) standard form documents relating to authorization of the borrowing and operation of the loan account;

    (v) Statutory Declaration from the Borrower(s) or the Officer or an officer of the Borrower as to residency, title, use of premises, actions or claims and such other matters as Canadian Western Bank's counsel may advise;

26. such additional security instruments, assurances and supporting documents (including legal opinion of the Borrower's solicitor) as the Bank may deem necessary or advisable for the purpose of obtaining and perfecting the foregoing security.

The Borrower(s) and Guarantor(s) acknowledge and agree(s) to give the Bank other reasonable documents, assurances, information and covenants as the solicitors for the Bank may reasonably require with regard to the loan or the security documents to be given hereunder.

SCHEDULE "B" – TERM LOANS/MORTGAGES

INSURANCE

1. All policies must show every Borrower as a named insured.

2. All policies covering physical loss or damage (that is, property, builders risk and boiler and machinery insurance) must be on a full replacement cost basis and:

   (a) provide coverage for all risks of physical loss or damage, including earthquake, flood, sewer back-up and collapse;

   (b) include insurance on the foundation and all parts below ground level;

   (c) provide in case of destruction:

      (i) that reconstruction will not be limited to "on the same or an adjacent site";

      (ii) coverage for increased costs of reconstruction through by-law and code changes and demolition and debris removal for damaged and undamaged property and resultant loss of income;

   (d) either contain a stated amount co-insurance clause or not be subject to co-insurance.

3. The Bank is to be shown both as mortgagee and loss payee under all policies covering physical loss or damage. Loss is to be payable using this wording:

   "CANADIAN WESTERN BANK, Plaza 1, Suite 101, 2000 Argentia Road, Mississauga, ON L5N 1P7 as first mortgagee and loss payee."

NA

SCHEDULE "C" – TERM LOANS/MORTGAGES

CONDITIONS PRECEDENT TO DRAWDOWN

The following conditions must be fulfilled prior to the Bank having any obligations to make any drawdown:

1. the Bank shall be satisfied with the business assets and financial condition of the Borrower and Guarantor(s) and all security documentation and supporting agreements and documents must be completed in a form satisfactory to the Bank and its solicitors, and must be executed and registered as appropriate, and the Bank shall have received a solicitor's letter of opinion with respect to same;

2. the Bank shall be provided with an appraisal of the subject lands confirming a market value of not less than $13,120,000 (using the Income Approach and Direct Comparison methods of valuation). Such appraisal shall be prepared by an appraiser approved by the Bank and shall be used for lending purposes. The appraisal is to be addressed to the Bank and shall be at the cost of the Borrower;

3. appraiser to issue a reliance for the most recent appraisal if it is not addressed to the Bank;

4. the Borrower(s) shall cause to be conducted environmental assessments, audit and other inspections with respect to the mortgaged property and the business of the Borrower(s) and the obligation of the Bank to advance funds hereunder shall be subject to the Bank receiving reports prepared by a Bank approved Environmental Consultant, satisfactory to the Bank in its sole discretion and subject to the Bank being satisfied in its sole discretion that there are no environmental matters that are adverse to the value of the mortgage property or the business of the Borrower(s);

5. environmental consultant is to issue a reliance letter if the environmental assessment is not addressed to the Bank;

6. finalized April 20, 2021 Pinchin Groundwater Sampling and Verification Soil Sampling Program report. If the report is not addressed to the bank, a reliance letter is to be obtained;

7. satisfactory review of a building condition assessment completed by an engineer which addresses the structural condition of the building, current condition of the roof, estimated remaining economic life of the property (minimum of 35 years) and a maintenance program outlining work to be completed over the next 10 years, as well as the level of deferred maintenance, if any;

8. the engineer is to issue a reliance letter for the building condition report if it is not addressed to the Bank;

9. satisfactory review by the Bank of the Borrower's financial statements and credit reports;

10. re-instated accountant prepared December 31, 2020 yearend financial statements for 20 Caldari Development Inc. (accurately reflecting property value and shareholder loans);

11. satisfactory review of financial projections for a minimum of 3 years provided by the Borrower;

12. satisfactory review by the Bank of the financial statements for the corporate guarantors;

13. the Borrower shall provide a property tax receipt confirming payment of all taxes including the current year;

14. satisfactory review by the Bank's solicitor of all leases and addendums/amendments to leases. The Bank's solicitor is also to provide Estoppel Certificates;

15. final executed copy of Stone Quartz Inc. lease/amending agreement;

16. satisfactory review of the rent roll for the property;

17. current account receivables, payables, and inventory listing for Aurora Hotel Group Inc., including a separate list for holdbacks;

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049 organizational chart to be provided by the Borrower/Guarantor(s);

19. receipt and satisfactory review by the Bank and the Bank's solicitor of the shareholder and partnership agreements, including any joint venture/beneficial owner agreement;

20. satisfaction of all conditions precedent under the Aurora Hotel Group Inc. Agreement;

21. the Bank shall be satisfied as to the zoning of the Project and the availability of all municipal and regulatory permits and approvals required for the operation of the Project;

22. any participation by way of equity, shareholders' loan, or other cash injection required under the terms of this agreement must be in place;

23. any other information that the Bank may reasonably require;

24. the Bank will require two (2) full business days prior written notice of disbursement.

NA

SCHEDULE "D" – TERM LOANS/MORTGAGES

GENERAL CONDITIONS

The Borrower agrees:

1. no Event of Default has occurred and is continuing;

2. the Loan Maturity Date has not occurred;

3. the conditions of this Agreement and of all previous advances have been satisfied or waived;

4. the loan shall be advanced by October 31, 2021 unless otherwise extended by the Bank;

5. to maintain (on a combined basis with Aurora Hotel Group Inc.) a "Cash Flow Coverage Ratio" of not less than 1.30x at all times;

6. to maintain (on a combined basis with Aurora Hotel Group Inc.) a "Current Ratio" of not less than 1.20x;

7. to maintain (on a combined basis with Aurora Hotel Group Inc.) a "Debt to Tangible Net Worth" no greater than 4.00x. Aurora Hotel Group Inc. will be subject to a stand alone "Debt to Tangible Net Worth" covenant of no greater than 2.50x;

8. if at any fiscal yearend the Borrower fails to meet the Cash Flow Coverage Ratio covenant the Borrower and Guarantor(s) agree, upon the Bank's request, to make a lump-sum prepayment on the Loan within 60 days sufficient that pro-forma Cash Flow Coverage Ratio is met;

9. not to pay shareholders, officers or directors of the Borrower, whether by way of salary, dividend, bonus, management or director fees, loan, repayment of loan or other form payment withdrawal that would cause breach in the "Cash Flow Coverage Ratio" before and after, in any fiscal year;

10. not to invest in, lend to, guarantee or otherwise provide for, on a direct or indirect or contingent basis, the payment of any monies or performance of any obligations by third party except as provided herein;

11. not to incur commitments for Capital Expenditures or lease obligations in any one fiscal year of the Borrower, which would cause a breach in any of the aforementioned covenants before and after, which commitments shall not be cumulative from year to year unless previously approved in writing by the Bank;

12. not to incur any additional long term debt or issue guarantees other than in the normal course of business;

13. no other loans may be secured against the Project, except the Subordinate Mortgages satisfactory to the Bank and, at the Borrower's option, a mortgage to secure Borrower's Equity contributed by the Guarantor or other affiliate of the Borrower, provided such mortgage is fully subordinated to the Security and supporting documents in accordance with a Priority and Standstill Agreement;

14. the Bank's opinions, approvals and decisions are in its sole discretion and are not subject to judicial review as to their reasonableness;

15. the Borrower shall remain the sole registered and beneficial owner of the Project until the Loan has been repaid in full, unless otherwise approved by the Bank;

16. to give the Bank 30 days prior notice in writing of any intended change in the ownership of its shares or any its subsidiaries;

17. not to change its name or merge, amalgamate or consolidate with any other corporation;

18. not to grant, create, assume or suffer to exist any mortgage charge, lien, pledge, security interest, including a Purchase Money Security Interest (PMSI), or other encumbrance affecting any of its properties, assets or other rights other than a Normal Course Lien;

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not to sell, transfer, convey, lease or otherwise dispose of any part of its property or assets, without the prior written consent of the Bank, except in the ordinary course of business;

20. to file on a timely basis, all material tax returns which are or will be required to be filed, to pay or make provision for payment of all material taxes (including interest and penalties) and other potential Priority Claims which are or will become due and payable and to provide adequate reserves for the payment of any tax, the payment of which is being contested;

21. to comply with all applicable environmental laws and regulations; to advise the Bank promptly of any breach of any environmental regulations or licenses or any control orders, work orders, stop orders, action requests or violation notices received concerning any of the Borrower's property; to comply with any such requests or notices, to diligently clean up any spills; and to hold the Bank harmless for any costs or expenses which the Bank incurs for any environmental related liabilities existent now or in the future with respect to the Borrower's property;

22. The Borrower and Aurora Hotel Group agree to maintain their operating accounts with the bank through which all banking activity of the Borrower and Corporate Guarantor will be transacted from the secured properties;

23. Confirmation / undertaking from all parties involved that the lease with Corporate Guarantor (Aurora Hotel Group) shall be in effect at least until the expiry of the credit facilities extended to the Borrower;

24. to provide the Bank and its agents, nominees, and consultants with the right to enter the premises of the Borrower from time to time, and to carry out such environmental reviews as the Bank in its sole discretion deems advisable and in that connection to make good faith enquiries with government agencies and to examine the records, books, assets, affairs and business operations of the Borrower.

25. to maintain adequate insurance on the property and acknowledges that failure to do so will hereby authorize the Bank to purchase insurance to protect the Bank's interest in the project to the value of the outstanding loan/mortgage. The Borrower authorizes the Bank to add the cost of said insurance to the loan/mortgage balance.

<u>EVENTS OF DEFAULT</u>:

1. The full amount of the indebtedness and liability of the Borrower then outstanding, together with accrued interest and any other charges then owing by the Borrower to the Bank shall, at the option of the Bank, forthwith be accelerated and be due and payable, and upon being declared to be due and payable, the securities shall immediately become enforceable and the Bank may proceed to realize and enforce the same upon the occurrence and during the continuance of any of the following events or circumstances (which events or circumstances are herein referred to as the "Events of Default"):

   (a) the Borrower or any Guarantor fails to make due, whether on demand or at a fixed payment date, by acceleration or otherwise any payment of interest, principal, fees, commissions or other amounts payable to the Bank;

   (b) there is a breach by the Borrower of any other term or condition contained in this Agreement or in any other agreement to which the Borrower and the Bank are parties and the Borrower has not corrected such breach within 15 days of notice having been provided to the Borrower;

   (c) any default occurs under the terms of any security to be provided in accordance with this Agreement or under any other credit, loan or security agreement to which the Borrower are party and the Borrower have not corrected such breach within 15 days of notice having been provided to the Borrower;

   (d) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other analogous proceedings are instituted by or against the Borrower and, if instituted against the Borrower are allowed against or consented to by the Borrower or are not dismissed or stayed within 60 days after such institution;

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052 (e) a receiver is appointed over any property of the Borrower or any judgement or order or any process of any court becomes enforceable against the Borrower or any property or any creditor takes possession of any property of the Borrower;

(f) any adverse change occurs in the financial condition of the Borrower or any Guarantor;

(g) any adverse change occurs in the environmental condition of:

(i) the Borrower(s), or either of them, or any Guarantor of the Borrower, or

(iii) any property, equipment, or business activities of the Borrower or any Guarantor of the Borrower.

MISCELLANEOUS CONDITIONS:

1. The rights and remedies of the Bank pursuant to this Agreement and the securities taken pursuant hereto are cumulative and not alternative, and not in substitution for any other rights, remedies, or power of the Bank.

2. Any failure or delay by the Bank to exercise, or exercise fully, its rights and remedies pursuant to this Agreement and the securities taken pursuant hereto shall not be construed as a waiver of such rights and remedies.

3. In the absence of a formal Loan Agreement being entered into, this Agreement shall continue in full force and effect and shall not merge in any securities provided by the Borrower to the Bank.

4. the Bank reserves the sole and absolute right to syndicate part or all of the loan facility contemplated herein, with various syndication partners with whom the Bank syndicates loans from time to time, on terms and conditions satisfactory to the Bank;

5. This Agreement and the security documentation to be provided by the Borrower pursuant hereto shall be construed in accordance with and governed by the laws of the Province of Ontario.

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SCHEDULE "E" – TERM LOANS/MORTGAGES

REPORTING REQUIREMENTS

The Borrower agrees to provide the undernoted information to the Bank:

1. an Officers Compliance Certificate form 1636 annually (within 120 days of year end), certifying that all lending conditions and requirements are being complied with;

2. Review Engagement, annual financial statements of the Borrower and Corporate Guarantor(s) prepared by a firm of qualified professional accountants within 120 days of the borrower's fiscal year-end, together with annual business plan including proforma balance sheets with profit and loss and cash flow statements as well as capital expenditure forecasts for the current fiscal year, showing purpose and source of financing;

3. Quarterly, internal financial statements of the Borrower and Aurora Hotel Group (Corporate Guarantor), inclusive of at least an income statement and balance sheet within 45 days of quarter end;

4. Annually, summary of maintenance expenditures incurred at the property;

5. project rent roll on an annual basis;

6. provisions of any new lease agreements;

7. annual updated personal net worth statements of the Personal Guarantors on the Canadian Western Bank forms duly completed and signed;

8. confirmation of Payable Status form 1054 on an annual basis;

9. any further information, data, financial reports and records, accounting or banking statements, certificates, evidence of insurance and other assurances which the Bank may from time to time require in its sole discretion, acting reasonably.

NA

CANADIAN WESTERN
BANK & TRUST

SCHEDULE "F" – TERM LOANS/MORTGAGES

SCHEDULE – STANDARD LOAN TERMS

ARTICLE 1 – GENERAL

1.1. **Interest Rate.** You will pay interest on each Loan at nominal rates per year at the rate specified in this Agreement.

1.2. **Floating rate of Interest.** Each floating rate of interest provided for under this Agreement will change automatically, without notice, whenever the Bank's Prime Rate or the U.S. Base Rate, as the case may be, changes.

1.3. **Payment of Interest.** Interest is calculated on the daily balance of the Loan at the end of each day. Interest is due once a month, unless the Agreement states otherwise. Unless you have made other arrangements with us, we will automatically debit your Operating Account for interest amounts owing. If your Operating Account is in overdraft and you do not deposit to the account an amount equal to the monthly interest payment, the effect is that we will be charging interest on overdue interest (which is known as compounding). Unpaid interest continues to compound whether or not we have demanded payment from you or started a legal action, or got judgment, against you.

1.4. **Fees.** You will pay the Bank's fees for the Loans as outlined in the Agreement. You will also reimburse us for all reasonable fees (including legal fees on a solicitor and his own client basis) and out-of-pocket expenses incurred in registering any security, and in enforcing our rights under this Agreement or any security. We will automatically debit your Operating Account for fee amounts owing.

1.5. **Our rights re demand Loans.** We believe that the banker-customer relationship is based on mutual trust and respect. It is important for us to know all the relevant information (whether good or bad) about your business. Canadian Western Bank is itself a business. Managing risks and monitoring our customers' ability to repay is critical to us. We can only continue to lend when we feel that we are likely to be repaid. As a result, if you do something that jeopardizes that relationship, or if we no longer feel that you are likely to repay all amounts borrowed, we may have to act. We may decide to act, for example, because of something you have done, information we receive about your business, or changes in the economy that affect your business. Some of the actions that we may decide to take include requiring you to give us more financial information, negotiating a change in the interest rate or fees, or asking you to get further accounting assistance, put more cash into the business, provide more security, or produce a satisfactory business plan. It is important to us that your business succeeds. We may demand immediate repayment of any outstanding amounts under any demand Loan. We may also, at any time and for any cause, cancel the unused portion of any demand Loan.

1.6. **Payments.** If any payment is due on a day other than a Business Day, then the payment is due on the next Business Day.

1.7. **Applying money received.** If you have not made payments as required by this Agreement, or if you have failed to satisfy any term of this Agreement (or any other agreement you have that relates to this Agreement), or at any time before default but after we have given you appropriate notice, we may decide how to apply any money that we receive. This means that we may choose which Loan to apply the money against, or what mix of principal, interest, fees and overdue amounts within any Loan will be paid.

1.8. **Information requirements.** We may from time to time reasonably require you to provide further information about your business. We may require information from you to be in a form acceptable to us.

1.9. **Insurance.** You will keep all our business assets and property insured (to the full insurable value) against loss or damage by fire and all other risks usual for property such as yours (plus for any other risks we may reasonably require). If we request, these policies will include a loss payee clause (and if you are giving us mortgage security, a Standard Mortgagee Clause). As further security, you assign all insurance proceeds to us. If we ask, you will give us either the policies themselves or adequate evidence of their existence. If your insurance coverage for any reason stops, we may (but do not have to) insure the property. We will automatically debit your Operating Account for this amount. In the event there are no funds on deposit, we may add the insurance cost to your Loan. Finally, you will notify us immediately of any loss or damage to the property.

1.10. **Environmental Matters.** You will carry on your business, and maintain your assets and property, in accordance with all applicable environmental laws and regulations. If (a) there is any release, deposit, discharge or disposal of pollutants of any sort (collectively, a "Discharge") in connection with either your business or your property, and we pay any fines or for any clean-up, or (b) we suffer any loss or damage as a result of any Discharge, you will reimburse the Bank, its directors, officers, employees and agents for any and all losses, damages, fines, costs and other amounts (including amounts spent preparing any necessary environmental assessment or other reports, or defending any lawsuits) that result. If we ask, you will defend any lawsuits, investigations or prosecutions brought against the Bank or any of its directors, officers, employees and agents in connection with any Discharge. Your obligation to us under this section continues even after all Loans have been repaid and this Agreement has terminated.

1.11. **Consent to release information.** We may from time to time give any loan or other information about you to, or receive such information from, (a) any financial institution, credit reporting agency, rating agency or credit bureau, (b) any person, firm or corporation with whom you may have or propose to have financial dealings, and (c) any person, firm or corporation in connection with any dealings you have or propose to have with us. You agree that we may use that information to establish and maintain your relationship with us and offer any services as permitted by law, including services and products offered by our subsidiaries when it is considered that this may be suitable to you.

1.12. **Proof of debt.** This Agreement provides the proof, between the Bank and you, of the loans made available to you. There may be times when the type of loan you have requires you to sign additional documents. Throughout the time that we provide you loans under this Agreement, our loan accounting records will provide complete proof of all terms and conditions of your loan (such as principal loan balances, interest calculations, and payment dates).

1.13. **Renewals of this Agreement.** This Agreement will remain in effect for your Loans for as long as they remain unchanged. If there are no changes to the Loans this Agreement will continue to apply, and you will not need to sign anything further. If there are any changes, we will provide you with either an amending agreement, or a new replacement Letter, for you to sign.

1.14. **Confidentiality.** The terms of this Agreement are confidential between you and the Bank. You therefore agree not to disclose the contents of this Agreement to anyone except your professional advisors and where required by law.

NA

1.15. Pre-conditions. You may use the Loans granted to you under this Agreement only if:

(a) we have received properly signed copies of all documentation that we may require in connection with the operation of your accounts and your ability to borrower and give security;

(b) all the required security has been received and registered to our satisfaction;

(c) any special provisions or conditions set forth in the Agreement have been complied with; and

(d) if applicable, you have given us the required number of days notice for a drawing under a Loan.

1.16. Notices. We may give you any notice in person or by telephone, or by letter that is sent either by fax or by mail.

1.17. Non-Revolving Loans. The following terms apply to each Non-Revolving Loan:

(a) Non-revolving Loans. Unless otherwise stated in the Agreement, any principal payment made permanently reduces the available Loan Amount. Any payment we receive is applied first to overdue interest, then to current interest owing, then to overdue principal, then to any fees and charges owing, and finally to current principal.

(b) Floating Rate Non-Revolving Loans. Floating Rate Loans may have either (i) blended payments or (ii) payments of fixed principal amounts, plus interest as described below:

(i) Blended payments. If you have a Floating Rate Loan that has blended payments, the amount of your monthly payment is fixed for the term of the loan, but the interest rate varies with changes in the Prime Rate or U.S. Base Rate (as the case may be). If the Prime Rate or U.S. Base Rate during any month is lower than what the rate was at the outset, you may end up paying off the loan before the scheduled end date. If, however, the Prime Rate or U.S. Base Rate is higher than what it was at the outset, the amount of principal that is paid off is reduced. As a result, you may end up still owing principal at the end of the term because of these changes in the Prime Rate or U.S. Base Rate. We will advise you from time to time of any changes in the blended payment necessary to maintain the original amortization period, should we chose to do so.

(ii) Payments of fixed principal plus interest. If you have a Floating Rate Loan that has regular principal payments, plus interest, the principal payment amount of your Loan is due on the payment date specified in the Agreement. Although the principal payment amount is fixed, your interest payment will usually be different each month, for at least one and possibly more reasons, namely: the reducing principal balance of your loan, the number of days in the month, and changes to the Prime Rate or U.S. Base Rate (as the case may be).

(c) Demand of Fixed Rate Term. If you have a Fixed Rate Term Loan and we make demand for payment, you will owe us (i) all outstanding principal, (ii) interest, (iii) any other amount due under this Agreement, and (iv) a prepayment charge. The prepayment charge is equal to the greater of three (3) months interest calculated on the unpaid balance at the rate authorized or the Bank's Unwinding Costs.

NA

ARTICLE 2 – DEFINITIONS

2.1. Definitions. In this Agreement, the following terms have the following meanings:

"Agreement" means the letter agreement between you and Canadian Western Bank to which this Schedule and any other Schedules are attached,

"Business Day" means any day (other than a Saturday or a Sunday) that the CWB Branch/Centre is open for business.

"Cash Collateral Account" means funds on deposit held by the Bank in an interest bearing account pending satisfaction of certain terms and/or conditions.

"Cash Flow Coverage Ratio" means for any fiscal year the ratio of X to Y where:

X =
Net profit after tax
+ amortization/depreciation
+ all interest expenses
+ all taxes
= EBITDA

Y =
All interest paid or accrued during the trailing fiscal year + the Borrower's actual principal payment obligations for the trailing fiscal year under the CWB credit facility and any other document or agreement including without limitation:

- in respect of any indebtedness for borrowed money as classified in the balance sheet of the Borrower and in accordance with generally accepted accounting principals; and
- in respect of any capital lease in accordance with generally accepted accounting principles entered into by the Borrower.

"Customer Automated Funds Transfer (CAFT)" is a WEB based service that provides non-personal customers the ability to make multiple electronic transactions for purposes of direct deposit for payroll or direct payment of accounts payable.

"CWB Branch/Centre" means the Canadian Western Bank branch or banking centre noted on the first page of this Agreement, as changed from time to time by agreement between the parties.

"Demand Non-Revolving Loan" means an installment loan that is payable upon demand. Such a Loan may be either at a fixed or a floating rate of interest.

"Fixed Rate Loan" means any loan drawn down, converted or extended under a Loan at an interest rate which was fixed for a term, instead of referenced to a floating rate such as the Prime Rate or U.S. Base Rate, at the time of such drawdown, conversion or extension.

"Intangibles" means assets of the business that have no value in themselves but represent value. They include such things as copyright, goodwill, patents and trademarks; franchises, licenses, leases, research and development costs, and deferred development costs.

"Lease-Up Reserve" means the amount of the Loan that is funded into a Cash Collateral Account pending lease-up of the Project in accordance with the Loan authorization.

"Letter of Credit" or *"L/C"* means a documentary or stand-by Letter of Credit, a Letter of Guarantee, or a similar instrument in form and substance satisfactory to us.

"Lien" includes a mortgage, charge, lien, security interest or encumbrance of any sort on an asset, and includes conditional sales contracts, title retention agreements, capital trusts and capital leases.

"Loan" means any loan segment referred to in the Agreement and if there are two or more segments, "Loan" includes reference to each segment.

"Loan Amount" of any Loan means the amount specified in the Agreement and if there are two or more segments, "Loan Amount" includes reference to each segment.

"Loan Maturity Date" means the date the loan is to be repaid or extended by for further term, at the option of the Bank.

"Mandatory Capital Expenditures" means net capital expenditures incurred by you not financed by long term debt. Net capital expenditures means all capitalized fixed asset purchases less fixed asset sales.

"Normal Course Lien" means a Lien that (a) arises by operation of law or in the ordinary course of business as a result of owning any such asset (but does not include a Lien given to another creditor or to secure debts owed to that Loan) and (b) taken together with all other Normal Course Liens, does not materially affect the value of the asset or its use in the business.

"Operating Account" means the account that you normally use for the day-to-day cash needs of your business, and may be either or both of a Canadian dollar and a U.S. dollar account.

"Postponed Debt" means any debt owed by you that has been formally postponed to the Bank.

"Prime Rate" means the variable reference rate of interest per year declared by the Bank from time to time to be its Prime rate for Canadian dollar loans made by the Bank in Canada.

"Principal Sum" means the loan balance outstanding.

"Priority Claims" means priorities that are created when a borrower does not remit monies due for Income Tax, Workers Compensation, Canada Pension Plan, Employment Insurance, GST, Provincial Sales Tax, wage claims including unpaid holiday entitlement, unpaid utility bills and arrears of rent for business premises. These are considered to be deemed trust and rank in priority to all security interests.

"Purchase Money Lien" means a Lien incurred in the ordinary course of business only to secure the purchase price of an asset, or to secure debt used only to finance the purchase of the asset.

"Shareholders' Equity" means paid-in capital, retained earnings and attributed or contributed surplus.

"Standard Overdraft Rate" means the variable reference interest rate per year declared by the Bank from time to time to be its standard overdraft rate on overdrafts in Canadian or U.S. dollar accounts maintained with the Bank in Canada.

"Tangible Net Worth" means the total Shareholders' Equity, minus (a) amounts due from/investments in related parties, and the value of all intangibles, plus (b) all postponed debt.

"Unwinding Costs" means the costs the Bank incurs when a fixed rate loan is paid out early. The unwinding costs are based on an interest rate differential between the loan rate and the bid side yield for Government of Canada securities with the same maturity as the loan, for the remaining term of the loan at the time of repayment.

"U.S. Base Rate" means the variable reference rate of interest per year as declared by the Bank from time to time to be its base rate for U.S. dollar loans made by the Bank in Canada.

NA

This is Exhibit “C” referred to in the
AFFIDAVIT OF TYSON HARTWELL
SWORN BEFORE ME by videoconference
at the City of Toronto, in the Province of
Ontario, on this 19th day of October, 2023.

____
Commissioner for Taking Affidavits (or as may be)

Properties

PIN	03276 - 0125 LT	*Interest/Estate*	Fee Simple
Description	PCL 1-1 SEC 65M2681; LT 1 PL 65M2681; S/T LT552714, LT586315 ; S/T LT546620,LT546628 VAUGHAN		
Address	20 CALDARI RD VAUGHAN		

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 20 CALDARI DEVELOPMENT INC.

Address for Service

I, Aurora, Nakul, have the authority to bind the corporation.

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

Chargee(s) *Capacity* *Share*

Name CANADIAN WESTERN BANK

Address for Service Suite 101
2000 Argentia Road
Mississauga
Plaza 1
Ontario L5N 1P7

Statements

Schedule: See Schedules

Provisions

Principal	$13,120,000.00	*Currency*	CDN
Calculation Period			
Balance Due Date			
Interest Rate	16.5% per annum		
Payments			
Interest Adjustment Date			
Payment Date			
First Payment Date			
Last Payment Date			
Standard Charge Terms	201617		
Insurance Amount	Full insurable value		
Guarantor			

Signed By

Evonne Emma Finnegan	1984 Yonge Street Toronto M4Z 1S7	acting for Chargor(s)	Signed	2021 11 10

Tel 844-405-7666

Fax 844-405-7667

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

Submitted By

SCHWARZ LAW PARTNERS LLP	1984 Yonge Street Toronto M4Z 1S7	2021 11 23

Tel 844-405-7666

Fax 844-405-7667

Fees/Taxes/Payment

Statutory Registration Fee	$66.30
Total Paid	$66.30

MORTGAGE

TO: Canadian Western Bank
Suite 101, 2000 Angertia Road, Plaza 1, Mississauga, Ontario
("**CWB**", "us", "we", "our", or "Mortgagee")

20 Caldari Development Inc.
20 Caldari Road
Vaughan, Ontario

(the "**Mortgagor**", "you" or "your")

This agreement (as it may be supplemented, renewed, extended or amended from time to time, this "**Mortgage**") is required because CWB is lending money to help you meet your business needs (or, CWB is lending money to help another business meet its needs and you are guaranteeing the repayment of that loan) and CWB needs security in your property if we are not repaid. You are or will be the registered owner of the property set out in **Schedule "A"** including all buildings and improvements (the "**Lands**"). In this Mortgage, you are granting us an interest in and charge against the Lands that will be registered on title to the Lands. In exchange for CWB lending money to you or for your benefit, you agree to the terms of this Mortgage as follows:

1. Your obligation to pay - You will pay us the sum of $13,120,000.00 in Canadian Dollars (the "**Principal Sum**") ON DEMAND plus interest on the Principal Sum or such amount that is advanced plus interest and charges and any amount remaining unpaid, at the rate of SIXTEEN PERCENT (16%) per annum or such other interest rate agreed between us in writing (the "**Interest Rate**"), until the Principal Sum and interest are paid in full. Your obligation to pay the Principal Sum and the Interest Rate will continue to apply for as long as the Principal Sum remains unpaid, even if the Principal Sum has not been paid in full when CWB's loan matures, if we require the Principal Sum to be paid or in full or if we receive a judgement in respect of this Mortgage.

2. Interest and Arrears All overdue interest shall be treated as a part of the Principal Sum and shall bear compound interest at the Interest Rate, and all interest and compound interest shall be a charge upon the Lands. If any of the money secured by this Mortgage is not paid when due, you will pay interest on such outstanding amount for as long as it remains unpaid.

3. Revolving Advances - You acknowledge and agree that this Mortgage may be held by us as security for loans that may revolve or may be repaid and readvanced from time to time up to the Principal Sum. Upon signing this Mortgage:

(a) this Mortgage shall be a continuous charge against the Lands even though the balance owing under this Mortgage may fluctuate and may be reduced to a nil balance and may be repaid and readvanced from time to time;

(b) this Mortgage shall be security for payment of the ultimate balance of the money advanced by us to you and any other sums payable and secured under this Mortgage;

(c) this Mortgage shall remain valid security for any subsequent advance or readvance by us to you as if it had been made when this Mortgage is signed;

(d) nothing in this Mortgage requires us to advance any unadvanced portion of the Principal Sum and we may suspend or cancel revolving loans at any time; and

(e) any partial or full payment made by you to us shall not be deemed to be a redemption or cancellation of any revolving loan or this Mortgage.

4. Your agreement with us – You agree that this Mortgage is additional and continuing collateral security for your performance of all of your outstanding promises and obligations of any kind owed to us under the terms of a loan agreement, guarantee, letter of credit, letter of guarantee, promissory note or any other evidence of your obligations owed to us ("**Our Agreement**"). You agree to observe and perform your obligations under Our Agreement. The terms of Our Agreement are not superseded by nor merged in this Mortgage, and the provisions of Our Agreement are incorporated into this Mortgage by reference and shall remain in full force and effect until you fully perform all of your obligations in Our Agreement. A breach or default under Our Agreement shall constitute a breach or default under this Mortgage, and vice versa.

5. Covenants - You covenant and agree that:

(a) you have good title to the Lands except for registered encumbrances, liens and interests, if any;

(b) you have the right to mortgage the Lands;

(c) on default we shall have quiet possession of the Lands free from all encumbrances except as permitted in this Mortgage;

(d) you will sign further declarations or pledges of the Lands as may be required; and

(e) you have not and will not encumber the Lands except as mentioned in this Mortgage

6. Assignment of Rents and Leases – If all or any portion of the Lands is now or in the future becomes subject to any lease, agreement to lease, tenancy, quota, right of use or occupation or license (collectively, "**Leases**") you transfer and assign to us all Leases, together with all rents and other monies payable under them (collectively, "**Rents**") that are now or in the future will become due and payable to you, as lessor, under all existing and future Leases and under every existing and future guarantees, if any, of the obligations any present or future tenant, user, occupier or licensee of all or any portion of the Lands, together with the benefit of all rights, benefits or advantages in the Leases and the authority to demand, collect, sue for, distrain for, recover, receive and give receipts for the Rents and to enforce payment of the Leases and the Rents in your name. We note, however, that, until there is a default under this Mortgage, you may receive, collect and enjoy the Rents only as they become due and payable and not in advance.

7. Taxes You shall pay as they become due all taxes, rates, assessments, levies, liens, local improvement charges and penalties payable in respect of the Lands or this Mortgage (all of which is referred to as "**annual taxes**"). We may deduct from any advance an amount sufficient to pay any annual taxes which have become due and payable, and are unpaid at the date of such advance. You shall send to us all assessment notices, tax bills and other notices affecting your obligation to pay annual taxes as soon as possible after you receive them, plus proof that you have paid such annual taxes.

8. Insurance – You will insure during the term of this Mortgage for both your and our benefit, identifying us as loss payee as our interests may appear, the Lands and every building, structure,

erection, improvement and fixture, including their replacements, and all personal property located on the Lands for at least the full insurable replacement value of such property on a non-reporting completed value basis in Canadian dollars. The insurance including insurance company or policy of insurance must be approved by us and shall cover all risks of direct physical loss with only such exclusions as we may approve and must include insurance against liability imposed for damage, loss or injury to or death of persons and for damage to or loss of property of any person in such amounts as we believe will reasonably protect you against such losses. In addition, you must maintain boiler insurance if any boilers or pressure vessels are installed in the premises and you must obtain insurance covering loss of Rents under any Leases and business interruption insurance where Lands are occupied by you. Insurance coverage must be sufficient to pay the amounts required to be made under this Mortgage for the period of such policies. In addition, we require that:

(a) such insurance policies shall either be without co-insurance or have a stated or stipulated amount co-insurance clause for an amount equal to or less than the policy limit;

(b) you will upon request provide us, at your expense, with a certificate of a competent appraiser or other competent person selected by us as to the sufficiency of any insurance, including the type or amount of insurance;

(c) you will not allow any policy of insurance to be invalidated, and must assign, transfer and deliver to us any policy, and you irrevocably assign proceeds of insurance to us. If you neglect to keep any part of the Lands insured, or to deliver any policy, or to produce to us at least fifteen (15) days before termination of insurance coverage evidence, to our reasonable satisfaction, or if we receive notice of the intended cancellation of any policy, we may insure the Lands; provided however that we shall not be required to insure the Lands or, if we insure the Lands, to insure other than for our benefit alone, or to arrange to pay the premiums on any policy, or to arrange to remedy any defect in any policy or failure of any insurance company to pay for any loss; and

(d) if any loss or damage occurs, you must do all necessary things to enable us to receive payment of the insurance monies. Any insurance monies received may, at our option, be applied in rebuilding, reinstating or repairing the Lands or be paid to you or any other person that is the owner of the Lands, or be paid partly in one way and partly in another, or may be applied, in our sole discretion, to pay the Principal Sum, interest or other amounts owed to us under this Mortgage, whether due or not then due, notwithstanding any law, equity or statute to the contrary.

9. Waste - You will not permit any act of waste on the Lands or do anything, which lessens the value of the Lands in our opinion.

10. Hazardous Materials You represent and warrant to us that, to the best of your knowledge after due and diligent inquiry, no regulated, hazardous or toxic substances are being stored on the Lands or any adjacent property nor have any such substances been stored or used on the Lands or any adjacent property prior to your ownership, possession or control of the Lands. You agree to provide written notice to us immediately upon you becoming aware that the Lands or any adjacent property is being or has been contaminated with regulated, hazardous or toxic substances. You will not cause nor permit any activities on the Lands which directly or indirectly could result in the Lands being contaminated with regulated, hazardous or toxic substances. For the purposes of this Mortgage, the term "regulated, hazardous or toxic substances" means any substance, defined or designated as hazardous or toxic wastes, hazardous

or toxic material, a hazardous, toxic or radioactive substance or other similar term, by any applicable federal, provincial, state or local statute, regulation or ordinance now or hereafter in effect, or any substance or materials, the use or disposition of which is regulated by any such statute, regulation or ordinance.

You shall promptly comply with all statutes, regulations and ordinances, and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, storage, treatment, control, removal or cleanup of regulated, hazardous or toxic substances in, on, or under the Lands or in, on or under any adjacent property that becomes contaminated with regulated, hazardous or toxic substances as a result of construction, operations or other activities on, or the contamination of, the Lands or incorporated in any Improvements (as defined below). We may, but shall not be obliged to, enter upon the Lands, take actions and incur costs and expenses to ensure your performance of your compliance obligations described in this paragraph as we deem advisable and you shall reimburse us on demand for the full amount of all costs and expenses incurred by us in connection with such compliance activities.

With respect to regulated, hazardous or toxic substances, you agree to be liable for and to indemnify us, our officers, directors, employees, agents and its shareholders and agree to hold each of them harmless from and against any and all losses, liabilities, damages, costs, expenses and claims of any and every kind whatsoever, including:

(a) the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and

(b) any cost, liability or damage arising out of a settlement of any action entered into by us with or without your consent;

which at any time may be paid, incurred or asserted against any of them as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Lands or into or upon any land, the atmosphere, or any watercourse, body of water or wetland, of any regulated, hazardous or toxic substances. The indemnification set out in this paragraph shall survive the payment and satisfaction of your indebtedness and liability to us pursuant to this Mortgage.

11. Improvements - All erections, buildings, fences, machinery, equipment, plant and improvements fixed or otherwise, now or later put on the Lands (the "**Improvements**" and, together with the Lands, the "**Property**") are and shall immediately when placed on the Lands become fixtures and form a part of the Lands and be secured by this Mortgage. You will at all times and at your own expense sufficiently repair, maintain, and keep the Property in good and substantial order and repair all Improvements.

12. Alterations or Additions - You will not make or allow any material change, alteration or addition to the Property nor change the present use of the Lands during the term of this Mortgage or Our Agreement without our prior written consent, which shall not be unreasonably withheld. You shall not do anything where any policy of insurance on the Lands may be vitiated and you shall not use or permit any part of the Lands to be used in any way contrary to the regulations and requirements of the municipal, provincial or other governmental authority having jurisdiction over the Lands.

13. Covenants Regarding Construction - If you construct or cause to be constructed, any buildings, roads, utility services or improvements of any kind (the "**Project**") in, to or on any part of the Lands, you agree:

(a) to carry on construction of the Project continuously, diligently and in a good and workman like manner and in accordance with applicable laws until completed in such a manner that, at all times, in our reasonable opinion, construction can be completed by such date as may be set out in Our Agreement;

(b) to devote your full efforts and energy to the development and construction of the Project, not to abandon or delay completion of the Project for 15 days or more consecutively during the term of this Mortgage, except for reasons beyond your control, or depart from the plans and specifications for the Project; and

(c) to correct promptly all defects in the construction of the Project as reported to us by our consultants.

14. No Builders' Liens – To preserve our security interests in the Lands and this Mortgage throughout the term of this Mortgage, you will not allow anyone to register any debt or lien of any kind on title to the Lands, which could rank prior to our security interests under this Mortgage; provided that the registration shall not be deemed to be a breach of this Mortgage if you would like to, in good faith, dispute such debt or lien and you, if we so require, give security to our satisfaction for the due payment of the amount claimed, together with possible costs, in case it is proven to be a valid lien. Upon the registration of any debt or lien against the Lands, or if any buildings being erected on the Lands remaining unfinished or without any work being done on them for a period of 10 days, the principal and interest secured by this Mortgage shall, at our option, become due and payable.

15. Performance by Us - We may at our option, at any time, pay any taxes, rates, liens, charges, encumbrances and other claims in order to maintain the title to all of the Lands and to make or keep this Mortgage a charge and encumbrance on the Lands; make arrangements for inspecting, obtaining reports of the value, state and condition of the Lands; if there is a default under this Mortgage, take care of leasing, collecting the rents of, insuring rents, insuring the Lands or improving and managing generally the Lands; and collect all monies payable under this Mortgage. If you refuse or neglect to perform any obligation under this Mortgage at the time at which you should in our sole opinion, we may, at your expense, arrange for the performance of such obligation and may enter upon the Lands for that purpose.

16. Fees and Disbursements – You will pay for all costs, fees and expenses we pay or for which we become liable in preparing, registering, maintaining or enforcing this Mortgage, including all legal costs as between solicitor and his own client on a full indemnity basis, which costs shall be treated as a part of the Principal Sum, shall bear interest at the Interest Rate, be a charge upon the Lands and shall be payable on demand. If you do not pay these fees and disbursements, we may in addition to all other rights and remedies exercise the power of sale expressed in this Mortgage.

17. Default – We can demand the performance of your obligations under this Mortgage or Our Agreement at any time and, if we so demand, the full amount of the Principal Sum, interest and any other monies secured by this Mortgage then owing by you to us shall, at our option, immediately become due and payable (even if the term of this Mortgage may not have expired) and upon being declared to be due and payable, this Mortgage shall immediately become enforceable and we may proceed to enforce it without any further requirement of notify you of our enforcement steps.

18. Enforcement - If we choose to enforce this Mortgage:

(a) all of the monies secured by this Mortgage shall at our option become due and payable and to all intents and purposes as if the time for payment of all of the secured monies had fully come and expired;

(b) we may enter into possession of the Lands and whether in or out of possession collect the rents and profits of the Lands, and make any demise or lease of any part of the Lands on such terms, periods and at such rent as we think proper; and that the power of sale in this Mortgage which we may exercise may be exercised either before or after, and subject to any demise or lease we make;

(c) it shall be lawful for, and you grant full power, right and licence to us to enter, seize and distrain upon the Lands and by distress recover as rent reserved as in the case of demise of the Lands, as much of the monies from time to time be or remaining in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;

(d) we may without notice to you, lease, sell and convey any part of the Lands with on such terms of cash, credit or otherwise and either by public auction or by private contract as we deem necessary in our sole discretion and in the event of a sale we shall not be accountable for or charged with any monies until actually received. Notwithstanding the power to sell and our other powers in this Mortgage, we shall have and be entitled to the right of foreclosure of the equity of redemption in the Lands as fully as if the power of sale and other powers in this Mortgage had not been contained in this Mortgage;

(e) we may appoint a receiver and/or a manager of the Lands and/or a receiver of the rents, profits and incomes of the Lands, or may apply to any Court of competent jurisdiction in any action, cause or proceedings brought or commenced under this mortgage by reason of the default by you, for the appointment of said manager and/or receiver.

19. Receiver, Receiver/Manager – We may in writing appoint any person to be a receiver of all or any part of or interest in the Property and/or any revenues, rents and profits coming from the Property. We may remove any appointed receiver and appoint a replacement. The term "Receiver" as used in this Mortgage shall include a receiver; a manager; or a receiver and a manager. The following provisions shall apply to this paragraph:

(a) an appointed Receiver is your agent and you shall be solely responsible for the acts or defaults and for the remuneration and expenses of the Receiver. We shall not be responsible for any misconduct or negligence by any Receiver and may, from time to time, fix the remuneration of every Receiver and be at liberty to direct the payment for the Receiver from proceeds collected;

(b) nothing contained in this Mortgage and nothing done by us or by a Receiver shall render us a mortgagee in possession or responsible as such;

(c) all monies received by the Receiver, after providing for payment and charges ranking prior to this Mortgage and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver in this Mortgage, shall be applied towards the monies owing pursuant to this Mortgage;

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(d) the Receiver shall have power to:

(i) take possession of the Lands, the Property, rents and profits, and any property charged by this Mortgage and any additional or collateral security granted by you to us and to take any proceedings, be they legal or otherwise, in your name or otherwise;

(ii) carry on the business which you are or were conducting on the Lands;

(iii) to sell or lease or release all or any portion of the Lands and the Property and for this purpose to execute contracts in your name which said contracts shall be binding upon you;

(iv) to make any arrangement or compromise which it shall think expedient;

(v) to the extent permitted by law carry on any development or improvement related to the Lands, and for such purpose borrow money either secured or unsecured;

(vi) to apply the net proceeds of any sale or lease set out in this Mortgage, subject to the claims of all secured and unsecured creditors (if any) ranking in priority to this Mortgage, in payment in the following order of priority:

A. any costs, charges, expenses and legal fees (on a solicitor and own client basis) incurred in taking, recovering or keeping possession of the Lands or the Property or by reason of non-payment of the monies hereby secured;

B. in payment of any costs, charges, expenses and legal fees (on a solicitor and own client, full indemnity basis) of and incidental to the appointment of the Receiver and the exercise by it of all or any of the powers aforesaid including its reasonable remuneration and all outgoings properly payable by it;

C. in payment of any monies borrowed by the Receiver whether secured or unsecured for the purpose of the exercise by it of all or any of its powers as set out in this Mortgage;

D. in payment of interest to us as mentioned in this Mortgage;

E. toward payment to us of the Principal Sum or so much of it that remains unpaid;

F. in payment of other monies owing under this Mortgage or secured by this Mortgage; and

G. any surplus, if any, shall be paid to you;

(e) the Receiver may, at our option in writing, be vested with all or any of our powers and discretions in this Mortgage;

(f) the rights and powers granted in this paragraph are supplemental to and not in substitution for any other rights which we may have from time to time;

(g) if this Mortgage becomes enforceable, you hereby irrevocably appoint us and any appointed Receiver to be your attorney, in your name and on your behalf to execute and perform any actions or things which you ought to execute and perform under this Mortgage and in the exercise of any of the powers held by us and any Receiver under this Mortgage.

20. Power of Attorney In order to give effect to the powers granted in this Mortgage, including the power to collect rents and profits, the power to lease, demise or sell the Lands or any part thereof and the power to enter into any contracts with respect to all or any part of the Lands, you irrevocably constitute and appoint us your attorney upon the following terms and conditions:

(a) the power of attorney may be exercised by us if we demand under this Mortgage or Our Agreement;

(b) if a Receiver is appointed, then we may, at our discretion, delegate the exercise of the power of attorney granted herein, and in so doing, constitute and appoint the Receiver as our attorney for any purpose under this Mortgage;

(c) in any exercise of the power of sale and power of attorney provided in this Mortgage, the person exercising the powers shall be at liberty to convey title subject to such liens and encumbrances as we deem fit, with all proceeds from the sale being distributed as follows:

(i) firstly, in payment of all solicitor and his own clients costs and disbursements incurred with respect to the sale or otherwise;

(ii) secondly, in payment of any fees and disbursements owing to the Receiver or our agent;

(iii) thirdly, in payment of any or all amounts outstanding to us, including the Principal Sum and interest outstanding under this Mortgage;

(iv) fourthly, in payment of any amounts claimed to be owing by the holder of any lien or encumbrance registered subsequent to this Mortgage, which, pursuant to the terms and conditions of the agreement for sale, are required to be discharged; it being understood that we shall not be bound to inquire into the validity of any lien or encumbrance; and

(v) lastly, the balance, if any, to be paid into an interest bearing trust account to be maintained by us or our solicitors; the balance to be releasable only upon our agreement with you or pursuant to an order of a court of competent jurisdiction.

(d) You agree that you will not claim or assert any legal or equitable set off in any foreclosure action which may be commenced by us. Any such claim must be brought in a separate action and no such claim shall affect our recourse as against any part of the Lands.

21. Cross-Default - If a default occurs under any document, security, instrument, assurance or agreement, other than this Mortgage, now or in the future granted to us as additional security for your payment or performance of obligations under this Mortgage or Our Agreement, a default shall be deemed to have occurred under this Mortgage.

22. Due on Sale If you, without our prior written consent, directly or indirectly sell, convey, transfer or dispose of any part of the Lands, or grant any option or right of first refusal to purchase any part of the Lands, a default shall be deemed to have occurred under this Mortgage.

23. Change of Control – If you are a corporation and there is a direct or indirect transaction or dealing which affects your share structure or share ownership and which results in a change in control or ownership in your share capital, either legal or beneficial, without our prior written consent, except for any transfer to existing shareholders or the estate of existing shareholders, a default shall be deemed to have occurred under this Mortgage.

24. Amendments – In our sole discretion, we may release any part of the Lands or any obligation in this Mortgage and without releasing any other part of the Lands or any of the other obligations in this Mortgage, may by extension or other agreement from time to time change or agree with you to change any terms of this Mortgage, and no such change shall affect any of your other obligations under this Mortgage.

25. Renewal or Extension – If we agree to renew or extend the term of this Mortgage, such renewal or extension does not need to be registered against the title to the Lands.

26. Non-Waiver - The permitting of or the acquiescence in the non-performance or non-observance of or the extension of time for the performance of any of the obligations in this Mortgage expressed or implied, or the acceptance by us of any payment after any default shall not constitute a waiver of or cure any continuing or subsequent default, and shall not justify any default or delay on any other occasion.

27. Non-Merger - The taking of a judgment or judgments on any of the obligations in this Mortgage shall not affect our right to interest at the Interest Rate and that such judgment shall provide that interest on the judgment shall be computed at the same rate and in the same manner as provided in this Mortgage until the judgment has been fully paid and satisfied. The exercise of one of our rights or remedies in this Mortgage shall not affect, delay or prejudice any other rights or remedies in this Mortgage and will not act as a waiver of those rights and remedies. Any or all of our rights or remedies in this Mortgage may be exercised concurrently or successively. If any portion of the Principal Sum is not advanced to you on the date of this Mortgage, we may advance that unpaid potion in any sums at any future date or dates. The amounts of those advances when paid to you, shall be secured by this Mortgage and shall be repayable and be treated as if it has been advanced on the date of this Mortgage. Neither the execution nor registration of this Mortgage nor the advance of part of the Principal Sum shall bind us to advance the whole of the Principal Sum or any unadvanced portion of the Principal Sum. Nevertheless the Mortgage and charge on the Lands made by this Mortgage shall take effect upon on signing of this Mortgage. The expenses from the valuation of the Lands, examination of the title and costs of the preparation, execution and registration of this Mortgage as well as any present or future security taken as collateral to the Lands shall be a charge on the Lands and be secured by this Mortgage even in the event of the Principal Sum or any part of the Principal Sum not being advanced, and those expenses shall be payable as soon as possible with interest at the Interest Rate and without demand therefor.

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28. Expropriation - If any part of the Lands is condemned under any power of eminent domain or is acquired by expropriation for any public use or quasi public use, the damages, proceeds, consideration and award for such acquisition, to the extent amounts are owed by you to us under this Mortgage, are assigned by you to us and shall be paid immediately to us or our successors and assigns.

29. Prior Encumbrance Clause If you default in the performance of the obligations in any prior mortgage, agreement for sale, charge or encumbrance (the "**Prior Charge**") registered on title to the Lands then such default shall constitute a default under this Mortgage. We shall be at liberty in case of such default, but shall not be obligated, to pay any arrears or other sums payable under the said Prior Charge, or pay off all or any portion of the principal and/or interest secured by the Prior Charge. Any amounts so paid by us shall be added to the Principal Sum, bear interest at the Interest Rate, be a charge upon the Lands, and, unless repaid to us upon demand, be recoverable from you in the same manner as if such sum had been originally advanced and secured by this Mortgage. For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, you irrevocably appoint us your agent for such purpose and irrevocably direct us to tender such monies upon the holder of a Prior Charge, in your name and on your behalf, and in this regard you hereby assign to us, its equity of redemption, if any, with respect to the Prior Charge together with any statutory right of redemption given to you at law. It is the intention of the parties that we shall have the same rights and powers as you under and pursuant to the terms of the Prior Charge so that we will be able to take whatever steps are necessary to bring the Prior Charge into good standing once a default has occurred under the Prior Charge. Nothing in this Mortgage shall create an obligation upon us to cure any default on your behalf. You covenant and agree that you shall not permit or allow any lien, charge, encumbrance or mortgage to be registered against the Lands excepting for this Mortgage.

30. Discharge - Any discharge of this Mortgage shall be prepared by our solicitor and we shall have a reasonable time after receipt of payment in full of all monies secured by this Mortgage to prepare, execute and deliver such discharge.

31. Interpretation In this Mortgage and any renewals or extensions thereof or except as otherwise provided, or unless the context otherwise requires:

(a) the subdivisions in this Mortgage are called, in descending order, "sections", "subsections", "paragraphs", "subparagraphs", "clauses", and "subclauses", and all references in this Mortgage to designated subdivisions are to the designated subdivisions of this Mortgage;

(b) the words "hereto", "hereof", "herein" and "hereunder" and other words of similar import refer to this Mortgage as a whole and not to any particular section or other subdivision;

(c) the headings and subheadings inserted in this Mortgage are designed for convenience only and do not form a part of this Mortgage nor are they intended to interpret, define or limit the scope, extent or intent of this Mortgage or any provision of this Mortgage;

(d) the word "including" or "includes" or other variation thereof, when following any general statement, term or matter, shall not be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter;

(e) all references to currency or money herein are deemed to mean lawful money of Canada;

(f) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant that statute, with all amendments made that statute and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant to that statute;

(g) any reference to an entity shall include and shall be deemed to be a reference to an entity that is a successor to such entity;

(h) for the purpose of defining "the date of the Mortgage" with respect to any statutory right of prepayment, pursuant to the *Interest Act* of Canada or otherwise, the date of this Mortgage will be conclusively deemed to be the latest of the date of the first advance hereunder, the date interest commences running or the date of signing;

(i) where this Mortgage is executed by more than one party, all covenants and agreements herein contained shall be construed and taken as against such executing parties as joint and several;

(j) the heirs, executors, administrators, successors and permitted assigns of any party executing this Mortgage are jointly and severally bound by the obligations and terms in this Mortgage;

(k) the obligations and terms in this Mortgage and our rights, remedies and powers in this Mortgage shall be in addition to and not in substitution those granted or implied by equity, any law or any statute whatsoever;

(l) wherever the singular, the masculine or the neuter is used, the same shall be construed as meaning the plural or feminine or a body politic or corporate where the context or the parties to this Mortgage so require, and where a party is more than one person, all covenants shall be deemed to be joint and several.

32. Other clauses that apply to this Mortgage

Any notice to be delivered under this Mortgage will be in writing and may be validly served by personal delivery, by prepaid registered mail at your last known address or at the address of any of your directors or officers or, by email to you or any of your directors or officers at an email address maintained or owned by you and used by your directors or officers. In the case of mail, such notice will be deemed to be received by you on the third business day following the date of mailing.

We may grant extensions of time or other indulgences to you that are not strictly consistent with the terms of this Mortgage. We may also obtain additional security or release security we hold. We may settle or release your obligations or otherwise deal with you or any other security or credit facilities we hold. None of these things affects your liability to us, or our right to hold the Lands or enforce our rights against it, until we have been paid in full.

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This Mortgage will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

If a portion of this Mortgage is invalid, then this Mortgage will be interpreted as if the invalid portion had not been a part of it.

This Mortgage will be governed by the laws of the Province of Ontario. You irrevocably agree and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario, provided that nothing in this Mortgage shall prevent us from proceeding, at our choice, to commence a lawsuit or proceeding against you in the courts of any other court of competent jurisdiction. In accordance with the laws of the Province of Ontario, we note the additional terms and conditions:

(a) You agree with CWB that in accordance with subsection 7(3) of the *Land Registration Reform Act* (Ontario), the terms deemed to be included in a charge by subsection 7(1) of that act are expressly excluded from this Mortgage.

33. Collateral Obligations - You further covenant with us that this Mortgage is granted by you as continuing collateral security for the payment of all of your indebtedness owing to us together with interest, costs and other expenses, at all times, until paid in full. For the purposes of this Mortgage, indebtedness means all debts, liabilities and obligations, present and future, direct or indirect (including guarantees granted by you in favour of us) absolute or contingent, matured or not, of you to us, whether arising from Our Agreement or any agreement or dealings between us and you, or from any agreement or dealings with any another person by which we may be or become in any manner your creditor and whether you are bound alone or with another person as principal or surety.

34. Charging Clause AND for better securing to the mortgagee the repayment in manner set out above of the principal sum and interest (and other amounts hereby secured), the mortgagor hereby mortgages to the mortgagee all its estate and interest in the Lands.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

The Mortgagor has executed this Mortgage on 9th ~~October~~ November, 2021.

20 CALDARI DEVELOPMENT INC.

Per: ______________________

Name: Nakul Aurora
Title: President

I have authority to bind the Corporation

SCHEDULE "A"

Legal Description

PIN: 03276-0125 (LT)

PARCEL 1-1, SECTION 65M2681; LOT 1, PLAN 65M2681; SUBJECT TO LT552714, LT586315; SUBJECT TO LT546620, LT546628, CITY OF VAUGHAN, THE REGIONAL MUNICIPALITY OF YORK.

(a) Permitted Encumbrances

None

This is Exhibit "D" referred to in the
AFFIDAVIT OF TYSON HARTWELL
SWORN BEFORE ME by videoconference
at the City of Toronto, in the Province of
Ontario, on this 19th day of October, 2023.

____
Commissioner for Taking Affidavits (or as may be)

075

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #65

03276-0125 (LT)

PREPARED FOR Marlene01
ON 2023/10/10 AT 14:20:18

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

PROPERTY DESCRIPTION: PCL 1-1 SEC 65M2681; LT 1 PL 65M2681; S/T LT552714, LT586315 ; S/T LT546620,LT546628 VAUGHAN

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1997/04/07

OWNERS' NAMES
20 CALDARI DEVELOPMENT INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/04/07 ON THIS PIN						
WAS REPLACED WITH THE "PIN CREATION DATE" OF 1997/04/07						
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) ***						
LT504012	1988/07/26	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
65R12674	1988/12/15	PLAN REFERENCE				C
LT546620	1988/12/22	TRANSFER EASEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
LT546628	1988/12/22	TRANSFER EASEMENT			VAUGHAN HYDRO-ELECTRIC COMMISSION	C
LT682551	1990/06/27	NOTICE				C
YR3141634	2020/09/16	TRANSFER	$9,650,000	MULLER MARTINI CANADA INC.	20 CALDARI DEVELOPMENT INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
YR3344879	2021/11/23	CHARGE	$13,120,000	20 CALDARI DEVELOPMENT INC.	CANADIAN WESTERN BANK	C
YR3344880	2021/11/23	NO ASSGN RENT GEN		20 CALDARI DEVELOPMENT INC.	CANADIAN WESTERN BANK	C
REMARKS: TO BE DELETED UPON THE DELETION OF YR3344879						

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.

This is Exhibit “E” referred to in the
AFFIDAVIT OF TYSON HARTWELL
SWORN BEFORE ME by videoconference
at the City of Toronto, in the Province of
Ontario, on this 19th day of October, 2023.

Commissioner for Taking Affidavits (or as may be)

077 CANADIAN WESTERN BANK

THIS GENERAL SECURITY AGREEMENT DATED

BRANCH ADDRESS:

1. DEFINITIONS

The following definitions shall apply herein:

(a) "Act" means the Personal Property Security Act of the Province/Territory of Ontario in effect on the date hereof;

(b) "Accessions", "Account", "Chattel Paper", "Consumer Goods", "Document of Title", "Equipment", "Financing Change Statement", "Financing Statement", "Goods", "Instrument", "Intangible", "Inventory", "Money", "Purchase Money Security Interest", "Security", "Securities Account" and "Security Entitlement" shall have the meanings ascribed to them in the Act and shall be deemed to include both the singular and plural of such terms. All other capitalized words or terms used herein, unless otherwise defined herein, shall have the meanings ascribed to them in the Act and the Regulations passed pursuant thereto:

(c) "Agreement", "herein", and similar expressions refer to the whole of this Security Agreement and not to any particular section or other portion thereof and extend to and include every instrument which amends or supplements this Agreement;

(d) "Bank" means **CANADIAN WESTERN BANK;**

(e) "Collateral" means all present and after-acquired personal property and Real Property of the Debtor of whatever kind and wherever situate, including, without limiting the generality of the foregoing, those specific items, if any, described on the attached Schedule "A", and all other related, attached collateral schedules and all documents, writings, papers, books of account and records relating to the foregoing and all rights and interests therein, but shall not include:

(i) the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor now or hereafter held by the Debtor, it being the intention that the Debtor shall stand possessed of the reversion remaining in respect of any leasehold interest forming part of the Collateral upon trust to assign and dispose thereof as the Bank may after default direct;

(ii) Consumer Goods, or

(iii) those specific items, if any, described on the attached Schedule "B";

(f) "Debtor" means **20-Caldari Development Inc.** having a registered office at 20 Caldari Road, Vaughan Ontario L4K 4N8

(g) "Default" means the happening of any one or more of the events or conditions described in section 7 and such term shall be deemed to include each, any, or all such events or conditions, whether any such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgement, decree or order of any Court or any order, rule or regulation of any administrative or governmental body;

078 (h) "Indebtedness" means and includes any and all obligations, indebtedness and liability of the Debtor to the Bank, (including but not limited to principal, interest and all costs on a full indemnity basis) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wherever and however incurred, together with any ultimate unpaid balance thereof, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor is bound alone or with another or others and whether as principal or surety;

(i) "Permitted Encumbrances" means those specific security interests, if any, whether by way of mortgage, lien, claim, charge or otherwise, listed on Schedule "A" or hereafter approved in writing by the Bank prior to their creation or assumption;

(j) "Proceeds" shall have the meaning ascribed to it in the Act and shall be interpreted to include bank accounts, cash, trade-ins, Equipment, notes, Chattel Paper, Goods, contractual rights, Accounts and any other personal property or obligation received when Collateral or Proceeds thereof are sold, exchanged, collected or otherwise disposed of;

(k) "Real Property" means all of the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real, immovable and leasehold property and all interests therein, and all easements, right-of-way, privileges, benefits, licenses, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant and other fixtures;

(l) "Receiver" means any one or more persons (whether officers of the Bank or not), firms or corporations appointed pursuant to subsection 9(f) and shall be deemed to include a receiver, manager, receiver-manager, or receiver and manager;

(m) "Security Interest" means the security interest and the floating charge granted by the Debtor to the Bank pursuant to this Agreement; and

(n) "Specifically Described Collateral" means those items, if any, described in Schedule "A" which comprise part of the Collateral.

2. GRANT OF SECURITY INTEREST

For value received (the receipt and sufficiency of which is hereby acknowledged):

(a) the Debtor hereby grants, assigns, conveys, mortgages, pledges and charges, as and by way of a specific mortgage, pledge and charge and grants a continuing Security Interest to and in favor of the Bank in the Collateral (other than Real Property); and

(b) the Debtor hereby charges the Real Property as and by way of a floating charge.

3. INDEBTEDNESS SECURED

The Security Interest secures payment and satisfaction of the Indebtedness; provided however, that if the Security Interest in the Collateral is not sufficient to satisfy the Indebtedness of the Debtor in full, the debtor agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Bank shall be entitled to pursue full payment and satisfaction thereof.

4. ATTACHMENT OF SECURITY INTEREST

The Security Interest shall attach to the Collateral at the earliest possible moment in accordance with the Act, there being no intention on the part of the Debtor and the Bank that it attach at any later time.

5.079 REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

The Debtor represents and warrants, and as long as this Agreement remains in effect shall be deemed to continuously represent and warrant, that:

(a) the Debtor, if a natural person, is of legal age and, if a corporation, is duly organized, existing and in good standing under the laws of its incorporating jurisdiction and of each other jurisdiction in which the nature of its activities make such necessary;

(b) the Debtor has the right, power and authority to enter into this Agreement and to grant the Security Interest;

(c) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action and are not in contravention of any instrument by which the Debtor has been incorporated or continued, any instrument amending any such instrument, any internal regulation of the Debtor, any law, or any indenture, agreement or undertaking to which the Debtor is a party or by which it is bound;

(d) the Debtor has not previously carried on business, does not currently carry on business, and shall not, without the prior written consent of the Bank, in the future carry on business under any name other than the name set forth in paragraph 1(f);

(e) the Collateral is genuine and is legally and beneficially owned by the Debtor free of all security interests except for the Security Interest and the Permitted Encumbrances;

(f) the description of the Specifically Described Collateral, whether contained herein or provided elsewhere the Debtor to the Bank, is complete and accurate and all serial numbers affixed or ascribed to any of the Collateral have been provided to the Bank;

(g) each Chattel Paper, Intangible and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same ("Account Debtor"), the amount represented by the Debtor to the Bank from time to time as owing by each Account Debtor shall be the correct amount owing unconditionally by such Account Debtor, and no Account Debtor shall have any defence, set-off, claim or counterclaim against the Debtor which can be asserted against the Bank, whether in any proceedings to enforce the Collateral or otherwise;

(h) the locations specified in the attached Schedule "C" as to business operations and records are accurate and complete and, except for Goods in transit to such locations and Inventory on lease or consignment, all Collateral shall be situate at one of such locations;

(i) all financial statements, certificates and other information concerning the Debtor's financial condition or otherwise from time to time furnished by the Debtor to the Bank are and shall be in all respects complete, correct and fair representations of the affairs of the Debtor stated in accordance with generally accepted accounting principles applied on a consistent basis;

(j) there has not been and shall not be a material adverse change in the Debtor's position, financial or otherwise, from that indicated by the financial statements which have been delivered to the Bank;

(k) there are no actions, suits or proceedings pending or, to the knowledge of the Debtor, threatened against the Debtor except as have been disclosed in writing to and approved by the Bank; and

(l) none of the Collateral is or shall be Consumer Goods.

6. 680ENANTS OF THE DEBTOR

The Debtor covenants:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein and to keep the Collateral free from all security interests except for the Security Interest and the Permitted Encumbrances;

(b) except as expressly permitted herein, not to sell, exchange, transfer, assign, destroy, lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank;

(c) except as expressly permitted herein, not to move the Collateral from its current location, as indicated on Schedule "C", without the prior written consent of the Bank;

(d) to assemble and deliver the Collateral to the Bank at such location as the Bank may direct;

(e) to notify the Bank promptly in writing of:

(i) any change in the information contained in this Agreement including any information relating to the Debtor (including its name), the Debtor's business, the Collateral, or the locations of the Collateral or the records of the Debtor, so that the Bank shall be constantly advised of all places where the Debtor conducts its business, maintains the Collateral and maintains its records,

(ii) the details of any significant acquisition of Collateral (including serial numbers where required under the Act in connection with registration or as otherwise requested by the Bank), and for the purposes of this Agreement "significant" shall mean any item or items the value of which exceeds in the aggregate $5,000,

(iii) the removal of any of the Collateral to any jurisdiction in which any registration of, or in respect of, this Agreement may not be effective to protect the Security Interest, and in the case of such removal to provide the Bank with a written certificate stating the time of removal, what is being removed and the intended new locality of such Collateral, and to assist the Bank in effecting such further registrations as may be required by the Bank to protect its Security Interest; provided however that this provision shall not be construed as a waiver of any prohibition against removal or relocation of Collateral contained elsewhere in this Agreement, nor shall it be construed as permission to do so,

(iv) the details of any claims or litigation affecting the Debtor or the Collateral,

(v) any loss or damage to the Collateral,

(vi) any Default by an Account Debtor in payment or other performance of its obligations with respect to any Collateral, and

(vii) the return to or repossession by the Debtor of any Collateral;

(f) to keep all of its property, including the Collateral, in good order, condition and repair and not to use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance having jurisdiction over the same;

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(g) to execute, acknowledge and deliver such further agreements and documents supplemental hereto (including financing statements, further schedules to this Agreement, assignments and transfers) and to do all acts, matters and things as may be requested by the Bank in order to give effect to this Agreement and to perfect the Security Interest, including but not limited to any of the same which may be required to correct or amplify the description of any Collateral or for any other purpose not inconsistent with the terms of this Agreement;

(h) to pay all costs and expenses on a full indemnity basis (including legal fees as between a solicitor and his own client) incidental to:

   (i) the preparation, execution and filing of this Agreement,

   (ii) maintaining, protecting and defending the Collateral, the Security Interest, and all of the Bank's rights and interest arising pursuant to this Agreement, and

   (iii) the exercise of any rights or remedies of the Bank pursuant to this Agreement, including but not limited to the costs of the appointment of a Receiver and all expenditures incurred by such Receiver, the cost of any sale proceedings (whether the same prove abortive or not), and all costs of inspection, and all other costs and expenses incurred by the Bank in connection with or arising out of, directly or indirectly, this Agreement, all without limitation. All such costs and expenses shall be payable by the Debtor immediately upon demand from the Bank and until paid shall bear interest from the date incurred by the Bank at the highest rate of interest then chargeable by the Bank to the Debtor on any of the Indebtedness. The amount of all such costs and expenses shall be added to the Indebtedness and shall be secured by this Agreement;

(i) to punctually pay and discharge all taxes, rates, levies, assessments and other charges of every nature which might result in any lien, encumbrance, right of distress, forfeiture or termination or sale, or any other remedy being enforced against the Collateral and to provide to the Bank satisfactory evidence of such payment and discharge;

(j) to maintain its corporate existence, and to diligently preserve all its rights, licenses, powers, privileges, franchises and goodwill;

(k) to observe and perform all of its obligations and comply with all conditions under leases, licenses and other agreements to which it is a party or pursuant to which any of the Collateral is held;

(l) to carry on and conduct its business in an efficient and proper manner so as to preserve and protect the Collateral and income therefrom;

(m) to keep, in accordance with generally accepted accounting principles consistently applied, proper books of account and records of all transaction in relation to its business and the Collateral;

(n) to observe and conform to all valid requirements of law and of any governmental or municipal authority relating to the Collateral or the carrying on by the Debtor of its business;

(o) at all reasonable times, to allow the Bank access to its premises in order to view the state and condition of its property and to inspect its books and records and make extracts therefrom;

(p) to insure the Collateral for such periods, in such amounts, on such terms, with such insurers and against such loss or damage by fire and other such risks as the Bank reasonably directs, with loss payable to the Bank and the Debtor as insureds, as their respective interests may appear, to pay all premiums therefor, to deliver evidence of the same on request, and to do all acts necessary to obtain payment to the Bank of any insurance proceeds;

082 (q) to prevent the Collateral from being or becoming an Accession or a fixture to other property not covered by this Agreement or other security granted by the Debtor in favor of the Bank;

(r) to deliver to the Bank from time to time promptly upon request:

(i) any Documents of Title, Instruments, Securities, Security Entitlements, Securities Account and Chattel Paper constituting the Collateral,

(ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral,

(iii) all financial statements prepared by or for the Debtor regarding its business, or, where the Debtor is an individual, all tax returns and such personal financial statements as the Bank may request,

(iv) all policies and certificates of insurance relating to the Collateral, and

(v) such further information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Bank may request;

(s) not to change the present use of the Collateral; and

(t) to comply with all other requirements of the Bank, whether in the nature of positive or negative covenants, as may be communicated by the Bank to the Debtor from time to time, including but not limited to those additional covenants, terms and conditions, if any, contained on the attached Schedule "D".

7. EVENTS OF DEFAULT

The following constitute Default:

(a) non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Indebtedness;

(b) failure of the Debtor to perform or observe any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement, security instrument or other document made by the Debtor with or in favor of the Bank or any other person, firm or corporation;

(c) the death of or declaration of incompetency by a Court of competent jurisdiction with respect to the Debtor, if an individual;

(d) the Debtor becomes insolvent or makes a voluntary assignment or proposal in bankruptcy or otherwise acknowledges its insolvency, a bankruptcy petition is filed or presented against the Debtor, the making of an authorized assignment for the benefit of the creditors of the Debtor, the appointment of a receiver, receiver-manager, receiver and manager or trustee for the Debtor or any assets of the Debtor, or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act, Companies Creditors Arrangement Act or similar legislation in any jurisdiction;

(e) any act, matter or thing being done toward, or the commencement of any action or proceeding for, terminating the corporate existence of the Debtor, or if the Debtor is a partnership, the existence of the partnership, whether by way of winding-up, surrender of charter or otherwise;

(f) any encumbrance or security interest affecting the Collateral becomes enforceable;

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(g) the Debtor ceases or threatens to cease to carry on its business or makes or proposes to make a bulk sale of its assets or any sale of the Collateral other than as expressly permitted herein;

(h) any execution or other process of any Court becomes enforceable against the Debtor or a distress or analogous process is levied upon the assets of the Debtor or any part thereof (whether or not forming part of the Collateral);

(i) the Debtor permits any amount which has been admitted as due by it or is not disputed to be due by it and which forms, or is capable of being made, a charge upon the Collateral in priority to, or pari passu with, the charge created by this Agreement to remain unpaid for 30 days after proceedings have been taken to enforce the same;

(j) the Debtor allows any amount outstanding from it to the Crown pursuant to any federal, provincial or territorial statute to remain unpaid for 30 days or more;

(k) a corporate dispute occurs within the Debtor, if a corporation, (whether between or among its shareholders, directors, officers, employees or otherwise) which may hamper the business operations of the Debtor or otherwise adversely affect, in the sole opinion of the Bank, the Debtor's business assets or the Collateral;

(l) any representation or warranty furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement (regardless of the form thereof or whether contained herein or elsewhere), whether as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Debtor or otherwise proves to have been false or misleading as of the day made in any material respect or to have omitted any substantial contingent or unliquidated liability or claim against the Debtor;

(m) there is any material adverse change in any of the facts disclosed to the Bank, in the Debtor's position (financial or otherwise), or in the nature and value of the Collateral; or

(n) the Bank considers or deems, in its sole opinion, that the Security Interest and the Collateral are not sufficient security in relation to the extent of the Indebtedness.

For the purposes of Section 198.1 of the Land Title Act (British Columbia), the floating charge created by this Security Agreement over Real Property shall become a fixed charge thereon upon the earlier of:

(a) the occurrence of an event described in clause 7(d), (e), (f), (g), or (h); or

(b) the Bank taking any action pursuant to clause 9 to enforce and realize on the Security Interests created by this Security Agreement.

8. ACCELERATION/DEFAULT

(a) In the event of Default the Bank, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind. The provisions of this clause shall not in any way affect any rights of the Bank with respect to any Indebtedness which may now or hereafter be payable on demand.

(b) In the event of early payout, in whole or in part, the Debtor shall pay the Bank a prepayment charge equal to the greater of three months interest on the amount of the prepayment calculated at the rate of interest payable on the loan or the Bank's unwinding costs consisting of the interest rate differential calculated by the Bank based on the difference between the interest rate on the loan being prepaid and the bid side yield on Government of Canada securities for a comparable term. Notwithstanding the foregoing, the terms of any early payout provisions and prepayment charges agreed upon in a commitment letter signed by the Debtor and the Bank shall take precedence over the early payout and prepayment charges provided for in this subsection.

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9. REMEDIES

Upon Default the Bank shall have the following rights and powers, which the Bank may exercise immediately:

(a) to enter upon the premises of the Debtor or any other premises where the Collateral may be situated and to take possession of all or any part of the Collateral, by any method permitted by law, to the exclusion of all others, including the Debtor, its directors, officers, agents and employees, and the Debtor hereby waives and releases the Bank and any Receiver from all claims in connection therewith or arising therefrom;

(b) to remove all or any part of the Collateral to such place as the Bank deems advisable;

(c) to preserve and maintain the Collateral and to do all such acts incidental thereto as the Bank considers advisable, including but not limited to making replacements and additions to the Collateral;

(d) to collect, demand, sue on, enforce, recover and receive Collateral and give receipts and discharges therefor, and may do any such act and take any proceedings related thereto in the name of the Debtor or otherwise as the Bank considers appropriate;

(e) to sell, lease, or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as the Bank deems reasonable (including without limitation, by deferred payment) all in the Bank's absolute discretion and without the concurrence of the Debtor; provided however, that the Bank shall not be required to do so and it shall be lawful for the Bank to use and posses the Collateral for any and all purposes and in any manner the Bank sees fit, all without hindrance or interruption by the Debtor or any other person or persons, provided however that none of the foregoing shall prejudice the Bank's right to pursue the Debtor for recovery in full of the amount of the Indebtedness, including the amount of any deficiency owing after the application of the proceeds of realization (and to the extent permitted by laws, the Debtor waives its rights to the protection afforded by any rule of law or legislation respecting such deficiency);

(f) to appoint by instrument in writing, with or without bond, or by application to any Court of competent jurisdiction, a Receiver of the Collateral and to remove any Receiver so appointed and appoint another or others in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not of the Bank and the Bank shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his agents, servants or employees. Subject to the provisions of the instrument appointing him, any such Receiver shall have the power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral (including disposition by way of deferred payment). To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor where Collateral may be situate, to employ and discharge such employees, agents or professional advisors as the Receiver deems advisable, to enter into such compromises, arrangements or settlements as the Receiver deems advisable, to borrow or otherwise raise money on the security of the Collateral and to issue Receiver's certificates and do all such other acts as the Receiver deems advisable in connection with any of the powers referred to herein. Except as may be otherwise directed by the Bank, all monies received from time to time by the Receiver in carrying out his appointment shall be received in trust for and paid over to the Bank. In addition, every Receiver may, in the discretion of the Bank, be vested with all or any of the rights and powers of the Bank under the Act or any other applicable legislation or under this Agreement or any other agreement;

(g) to rescind or vary any contract for sale, lease or other disposition that the Debtor or the Bank may have entered into and to resell, release or redispose of the Collateral;

(h) to deliver to any purchasers of the Collateral good and sufficient conveyances or deeds for the same free and clear of any claim by the Debtor. For such purposes, the purchaser or lessee receiving any disposition of the Collateral need not inquire whether Default under this Agreement has actually occurred but may as to this and all other matters rely upon a statutory declaration of an officer of the Bank, which declaration shall be conclusive evidence as between the Debtor and such purchaser or lessee, and any such disposition shall not be affected by any irregularity of any nature or kind relating to the enforcement of this Agreement or the exercise of the rights and remedies of the Bank;

(i) to exercise any of the powers and rights given to a Receiver pursuant to this Agreement;

(j) to provide written notice to the Debtor that all the powers, functions, rights and privileges of the directors and officers of the Debtor with respect to the Collateral, business and undertaking of the Debtor have or shall cease as of the date notified therein, except to the extent specifically continued at any time by the Bank in writing; and

(k) to take the benefit of or to exercise any other right, proceeding or remedy authorized or permitted at law or in equity, whether as a secured party pursuant to the Act as the same is in force from time to time or otherwise.

All rights and remedies of the Bank are cumulative and may be exercised at any time and from time to time independently or in combination. No delay or omission by the Bank in exercising any right or remedy shall operate as a waiver thereof or of any other right or remedy, and no singular partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Provided always that the Bank shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, maintain, lease or otherwise dispose of the Collateral, or to institute any proceedings for such purposes. The Bank shall have no obligation to take any steps to preserve rights against other parties, shall have no obligation to exercise any of the rights and remedies available to it on Default and shall not be liable or accountable for not exercising any such rights and remedies.

The Bank may waive any Default but no such waiver shall be effective unless made in writing and signed by an authorized officer of the Bank. Any such waiver shall not extend to, or be taken in any manner whatsoever to affect, any subsequent Default or the rights resulting therefrom.

By its acceptance of this Agreement, the Bank acknowledges that it shall not, except in the case of the bankruptcy of the Debtor, enforce this Security Agreement against any personal property of the Debtor used solely for the personal or household use and enjoyment of the Debtor or the Debtor's immediate family.

10. BANK MAY REMEDY DEFAULT

The Bank shall have the right, but shall not be obliged to, remedy any default of the Debtor and all sums thereby expended by the Bank shall be payable immediately by the Debtor, together with interest thereon at the highest rate of interest then chargeable by the Bank to the Debtor on any portion of the Indebtedness. All such sums shall be added to the Indebtedness and shall be secured by this Agreement. In no case shall the exercise of the Bank's rights pursuant to this Section 10 be deemed to relieve the Debtor from such Default or be deemed a waiver of such Default or of any other prior or subsequent Default.

11. USE OF COLLATERAL

Subject to compliance with the Debtor's covenants contained herein and to the following provisions of this Section 11, until Default the Debtor may:

(a) in the case of Equipment, dispose of the same for the purpose of immediately replacing it by other Equipment of a similar nature or of a more useful or convenient character and of at least equal value;

(b) in the case of Inventory and Money, dispose of the same in the ordinary course of the business of the Debtor and for the sole purpose of carrying on the same; and

(c) otherwise possess, collect, use, enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not expressly or impliedly prohibited herein or otherwise inconsistent with the provisions of this Agreement.

Notwithstanding the foregoing:

(a) before or after Default the Bank may notify all or any Account Debtors and may direct such Account Debtors to make all payments owed in respect of the Collateral directly to the Bank; and

(b) the Debtor agrees that any payments on or other Proceeds of Collateral received by the Debtor, whether before or after Default, shall be received and held by the Debtor in trust for the Bank and shall be turned over to the Bank upon request.

If the Collateral at any time includes Securities, the Debtor authorizes the Bank to transfer the same or any part thereof into its own name or that of its nominees so that the Bank or its nominees may appear on record as the sole owner thereof; provided however that until Default the Bank shall deliver to the Debtor all notices or other communications received by it or its nominees as registered owner and upon demand and receipt of payment of any necessary expenses shall issue to the Debtor or its order a proxy to vote and take all action with respect to such Securities. However, after Default the Debtor waives all rights to receive any notices or communications in respect of such Securities and agrees that no proxy issued by the Bank to the Debtor or its order as aforesaid shall thereafter be effective.

12. APPROPRIATION OF PAYMENTS

All payments made at any time in respect of the Indebtedness and all Proceeds realized from any Securities held therefor may be applied (and reapplied from time to time notwithstanding any previous application) in such manner as the Bank sees fit or, at the option of the Bank, may be held unappropriated in a collateral account or released to the Debtor all without prejudice to the rights of the Bank hereunder, including the Bank's right to collect from the Debtor the amount of any deficiency remaining after application of all such payments and Proceeds.

13. POWER OF ATTORNEY AND AUTHORIZATION TO FILE

The Debtor hereby authorizes the Bank to file such Financing Statements and other documents and do such acts, matters and things (including completing and adding schedules to this Agreement indentifying Collateral or location) as the Bank from time to time deems appropriate to perfect, continue and realize upon the Security Interest and to protect and preserve the Collateral. In addition, for valuable consideration, the Debtor hereby irrevocably appoints the Bank and its officers from time to time, or any one or more of them, to be the true and lawful attorney of the Debtor, with full power of substitution, in the name of and on behalf of the Debtor to execute and to do all deeds, transfers, conveyances, assignments, assurances, and other things which the Debtor ought to execute and do under the covenants and provisions contained in this Agreement and generally to use the name of the Debtor in the exercise of all or any of the rights, remedies and powers of the Bank.

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14. MISCELLANEOUS

(a) The Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, comprise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other securities as the Bank sees fit, all without prejudice to the liability of the Debtor to the Bank or to the Bank's rights in respect thereof. In addition, the Bank may demand, collect, and sue on the Collateral in either the Debtor's or the Bank's name, all at the Bank's option, and may endorse the Debtor's name on any and all cheques, commercial paper and other instruments pertaining to or constituting the Collateral.

(b) Neither the execution or registration of this Agreement, nor the advance or readvance of part of the monies hereby intended to be secured, shall bind the Bank to advance or readvance the said monies or any unadvanced part thereof. The advance or readvance of the said monies or any part thereof from time to time shall be in the sole discretion of the Bank.

(c) The Debtor hereby waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Debtor is in any way liable and, except as expressly prohibited by law, waives notice of any other action taken by the Bank.

(d) Without limiting any other right of the Bank, whenever the Indebtedness is due and payable or the Bank has the right to declare it to be due and payable (whether or not it has been so declared), the Bank may, in its sole discretion, set off against the Indebtedness any and all monies then owed to the Debtor by the Bank in any capacity, whether or not due, and the Bank shall be deemed to have exercised such right to set-off immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Bank's records subsequent thereto.

(e) In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or may hereafter have against the Bank.

15. NOTICE

In addition to the notice provisions contained in the Act, whenever the Debtor or the Bank is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered, transmitted by facsimile, or sent by prepaid registered mail addressed to the party for whom it is intended at the Branch Address, in the case of the bank, and at the Debtor Address, in the case of the Debtor, as set out herein or as changed pursuant hereto. Either party may notify the other of any change in such party's address to be used for the purposes hereof. All such communications shall, in the case of delivery or facsimile, be deemed received on the date of delivery and, if mailed as aforesaid, shall be deemed received on the third business day following the date of posting. In the case of a disruption in postal service all such communications shall be delivered or transmitted by facsimile.

16. INTERPRETATION

(a) This Agreement shall be governed by and construed in accordance with the laws of the Province/ Territory of Ontario.

088 (b) This Agreement and the security afforded by it is in addition to and not in substitution for any other security now or hereafter held by the Bank and is intended to be a continuing security agreement and shall remain in full force and effect until released in writing by the Bank. The Bank shall have no obligation to provide such release unless and until the full amount of the Indebtedness has been paid in full.

(c) If any provision of this Agreement is held invalid, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect and this Agreement shall be enforced to the fullest extent permitted by law.

(d) The Debtor hereby waives the benefit of all statutory, common law and equitable rights, benefits and provisions which in any way limit or restrict the Bank's rights and remedies, to the extent that such waiver is not expressly prohibited by law. The Debtor acknowledges and agrees that the Bank shall have the right to recover the full amount of the Indebtedness by all lawful means, including the right to seek recovery of any deficiency remaining after the sale of the Collateral, including any sale thereof to the Bank.

(e) The headings of the sections of this Agreement are inserted for convenience of reference only and shall not affect or limit the construction or interpretation of this Agreement.

(f) All schedules, whether attached hereto on the date hereof or subsequently attached pursuant to the provisions of this Agreement, form part of this Agreement. With the exception of any schedules which may be added hereafter by the Bank without the concurrence of the Debtor pursuant to the provisions of this Agreement, no modification, variation or amendment of this Agreement shall be made except by a written agreement executed by the Debtor and the Bank.

(g) When the context so requires, words importing the singular number shall be read to include the plural and vice versa, and words importing gender shall be read with all grammatical changes necessary to reflect the identity of the parties.

(h) This Agreement shall enure to the benefit of the Bank, its successors and assigns and shall be binding upon the Debtor, its personal representatives, administrators, successors and permitted assigns.

(i) Time shall be in all respects of the essence of this Agreement.

17. RECEIPT OF DOCUMENTS

(a) The Debtor hereby acknowledges receiving a copy of this Agreement.

(b) The Debtor hereby waives its right to receive a copy of any Financing Statement, Financing Change Statement or verification statement which may be filed by or issued to the Bank pursuant to the Act.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first stated above, by his/her hand or by authorized signing officers if the debtor is not an individual.

20 CALDARI DEVELOPMENT INC.

Name: Nakul Aurora X *Corporate Seal If Applicable*

Title: President

Signature: ______

INDIVIDUAL DEBTOR

Name: ______

Signature: ______

Witness

Name: ______

Signature: ______

DEBTOR ADDRESS:
(Chief Executive Office, if Corporation, or residence if individual)

SCHEDULE "A"

1. **SPECIFICALLY DESCRIBED COLLATERAL**

(a) Serial Number Goods

Make, Model, Year of Manufacture, Serial Number

(b) Other

2. **PURCHASE MONEY SECURITY INTERESTS**

3. **PERMITTED ENCUMBRANCES**

NONE.

SCHEDULE "B"

PERSONAL PROPERTY NOT INCLUDED IN COLLATERAL

NONE

Form 1100 (11/16)

SCHEDULE "C"

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1. **LOCATIONS OF DEBTOR'S BUSINESS OPERATIONS**

(a) Chief Executive Office

(b) Other Locations:

2. **LOCATIONS OF RECORDS RELATING TO COLLATERAL**

20 Caldari Road, Vaughan, Ontario L4K 4N8

3. **LOCATIONS OF COLLATERAL**

20 Caldari Road, Vaughan, Ontario L4K 4N8

093

SCHEDULE "D"

ADDITIONAL COVENANTS, TERMS AND CONDITIONS

Scanned with CamScanner

Dated:
November 9th/2021

FROM:
JAY KHANNA

TO:
CANADIAN WESTERN BANK

GENERAL SECURITY AGREEMENT

Dated: November 9th ~~October~~ , 2021

FROM:
20 CALDARI DEVELOPMENT INC.

TO:
CANADIAN WESTERN BANK

GENERAL SECURITY AGREEMENT

This is Exhibit "F" referred to in the
AFFIDAVIT OF TYSON HARTWELL
SWORN BEFORE ME by videoconference
at the City of Toronto, in the Province of
Ontario, on this 19th day of October, 2023.

____
Commissioner for Taking Affidavits (or as may be)

RUN NUMBER : 284
RUN DATE : 2023/10/11
ID : 20231011092855.57

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(12840)

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

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : 20 CALDARI DEVELOPMENT INC.

FILE CURRENCY : 10OCT 2023

ENQUIRY NUMBER 20231011092855.57 CONTAINS 3 PAGE(S), 1 FAMILY(IES).

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

MCROBERTS (DICKINSON WRIGHT LLP) - DICKINSON WRIGHT LLP

199 BAY STREET
TORONTO ON M5L 1G4

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crfj6 05/2022)

CONTINUED... 2

Ontario

RUN NUMBER : 284
RUN DATE : 2023/10/11
ID : 20231011092855.57

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 20 CALDARI DEVELOPMENT INC.
FILE CURRENCY : 10OCT 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER: 778471695

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	1		20211124 0927 1590 5689	P PPSA	5

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: 20 CALDARI DEVELOPMENT INC. — ONTARIO CORPORATION NO.
04 ADDRESS: 20 CALDARI ROAD CALEDON ON L4K 4N8

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: CANADIAN WESTERN BANK
09 ADDRESS: 2000 ARGENTIA ROAD, SUITE 101, PLAZA 1 MISSISSAUGA ON L5N 1W1

COLLATERAL CLASSIFICATION

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

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

13 GENERAL
14 COLLATERAL
15 DESCRIPTION: GENERAL SECURITY AGREEMENT OVER ALL ASSETS.

16 REGISTERING AGENT: SCHWARZ LAW PARTNERS LLP
17 ADDRESS: 1984 YONGE STREET TORONTO ON M4S 1Z7

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

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 284
RUN DATE : 2023/10/11
ID : 20231011092855.57

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(12842)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 20 CALDARI DEVELOPMENT INC.
FILE CURRENCY : 10OCT 2023

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
778471695	20211124 0927 1590 5689			

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

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crfj6 05/2022)

Ontario

This is Exhibit “G” referred to in the
AFFIDAVIT OF TYSON HARTWELL
SWORN BEFORE ME by videoconference
at the City of Toronto, in the Province of
Ontario, on this 19th day of October, 2023.

Commissioner for Taking Affidavits (or as may be)

101 CWB Canadian Western Bank

August 26, 2022

NOTICE OF DEFAULT

20 Caldari Development Inc.
20 Caldari Rd, Unit #2
Vaughan, ON L4K 4N8

Attention: Nakul Aurora and Jay Khanna

Dear Sir:

As per the Agreement the Borrower is in default of the Agreement dated August 26, 2021 as follows:

A. The Borrower acknowledges, confirms, and agrees that the Bank and the Borrower have agreed upon at least the following reporting Covenants and Conditions:

2. Review Engagement, annual financial statements of the Borrower and Guarantor(s) prepared by a firm of qualified professional accountants within 120 days of the borrower's fiscal year-end, together with annual business plan including proforma balance sheets with profit and loss and cash flow statements as well as capital expenditure forecasts for the current fiscal year, showing purpose and source of financing;

3. Quarterly, internal financial statements of the Borrower and Aurora Hotel Group (Corporate Guarantor), inclusive of at least an income statement and balance sheet within 45 days of quarter end;

The Borrower missed the dates for the annual statement submissions December 31, 2021 and quarterly submissions (for period ended March 31, 2022 and June 30, 2022) and both remain outstanding as per the date of this letter. Please provide this information immediately.

The Borrower is noted in breach of the above reporting covenants with an expectation of compliance going forward. This advice does not imply a waiver of default.

The Borrower shall pay a late reporting fee of $600 per month, or portion thereof, shall apply for late provision of annual Financial Statements/Reporting effective immediately.

The aforementioned late reporting fee shall be automatically debited from the chequing account of the Borrower XXXXXXXX3737 for each applicable period.

Continuation of Original Agreement:

In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in the Commitment Letter, then the Borrower and the Bank agree to enter into negotiations in order to amend such provisions of the Commitment Letter so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as an amendment shall have been executed and delivered by the Borrower(s) to the Bank all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

Accounting Changes refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants, and all events including changes resulting from implementation of the International Financial Reporting Standards to the extent required by the Canadian Accounting Standards Board.

This confirmation does not amend any terms and conditions contained in the [amended] Commitment Letter and the credit facilities outlined therein continue to be governed by the provisions of the [amended] Commitment Letter.

If you are in agreement with the foregoing, kindly execute and return the enclosed copy of this letter by no later than September 9, 2022.

Yours Truly,

CANADIAN WESTERN BANK

Aneil D'Lima
AVP, Commercial Portfolio Management

Tonia Sawchuk
AVP & Manager, Commercial Relationships

ACKNOWLEDGEMENT:

The Borrower certifies that all information provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

BORROWER: 20 CALDARI DEVELOPMENT INC.

Signed ______________ Accepted 09/08/22
Date

Signed ______________ Accepted ______________
Date

GUARANTOR(S):

We/I acknowledge receiving advice of the Agreement described above and agree our/my guarantee is binding even if the Bank changes or waives compliance with the terms of this Agreement.

CORPORATE GUARANTORS:

AURORA HOTEL GROUP INC.

Signed ____________ Accepted 09/08/22
Date

JIS CONTRACT FURNITURE INC.

Signed ____________ Accepted ____________
Date

2107307 ONTARIO INC.

Signed ____________ Accepted ____________
Date

PERSONAL GUARANTOR(S):

Signed ____________ Accepted ____________
MR. JAY KHANNA Date.

Signed ____________ Accepted 09/08/22
MR. NAKUL AURORA Date.

Signed ____________ Accepted 09/08/22
MR. AKASH AURORA Date

This is Exhibit “H” referred to in the
AFFIDAVIT OF TYSON HARTWELL
SWORN BEFORE ME by videoconference
at the City of Toronto, in the Province of
Ontario, on this 19th day of October, 2023.

Commissioner for Taking Affidavits (or as may be)

CV-22-00692176-0000

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF the Ontario *Business Corporations Act,* R.S.O. 199, B.16

B E T W E E N:

(Court Seal)

JAY KHANNA

Applicant

and

20 CALDARI DEVELOPMENT INC. and
NAKUL AURORA (AKA NICK AURORA)

Respondents

APPLICATION UNDER SECTIONS 207 AND 248 OF THE
ONTARIO *BUSINESS CORPORATIONS ACT,* R.S.O. 199, B.16

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 writing
☒ In person
☐ By telephone conference
☐ By video conference

at the following location:

330 University Avenue, Toronto ON M5G 1R7

On a date to be set by the registrar.

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 22, 2022 Issued by Lynetta Aversa Digitally signed by Lynetta Aversa Date: 2022.12.23 10:33:27 -05'00'

Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue
Toronto ON M5G 1R7

TO: 20 CALDARI DEVELOPMENT INC.
20 Caldari Road
Concord, Ontario
L4K 4N8

AND TO: NAKUL AURORA
61 Beckenridge Drive
Markham, Ontario
L3S 2V3

APPLICATION

THE APPLICANT, Jay Khanna, makes application for the following relief under the Ontario *Business Corporations Act,* Part XII (Audit and Financial Statements), Part XVI (Liquidation and Dissolution) and XVII (Oppression), R.S.O. 1990, C. B-16 ("*OBCA*").

PART I – INTERIM RELIEF

1. **Audited Financial Statements**

(a) an Order appointing an independent auditor (the "Auditor") of 20 Caldari Development Inc. ("Caldari" or the "Company") for the purposes of conducting an audit and preparing audited financial statements for the fiscal years ending for 2020, 2021 and 2022, of the Company (the "Audited Financial Statements");

(b) an Order directing the Respondent and President/Director of the Company, Nakul Aurora (a.k.a. Nick Aurora) ("Nakul Aurora"), to provide a full accounting of the business and affairs of the Company from 2020 to present, including, without limiting the generality of the foregoing, full and unrestricted access to all books and records of the Company, bank statements, corporate tax returns, activity statements, investment reports, general ledgers, minute books, and papers to the Auditor for the purposes of conducting an audit, and preparing the Audited Financial Statements;

(c) an Order directing the time for delivery of the Audited Financial Statements to the Applicant;

(d) an Order directing the Company to pay for the conduct of the audit and the preparation of the Audited Financial Statements;

(e) an Order suspending the holding or conducting of any shareholders' meetings or annual general meeting ("AGM") of the shareholders of the Company until after the audit and Audited Financial Statements are completed and provided to the Applicant;

(f) a mandatory order requiring the Company, by their directors, officers or designated agents to bring all corporate filings into good standing as required by the *OBCA*; and

(g) such further and other incidental orders and directions pursuant to Section 248, Part XII of the *OBCA* as are necessary to give interim relief to the Applicant to provide for the Audited Financial Statements and financial disclosure of the Company.

2. **Caution**

(a) An order directing the Registrar to maintain a Caution under the *Land Titles Act,* R.S.O. 1990, c. L.5 registered on the Caldari Property (defined herein, and as more particularly described in Schedule "A" to this Notice of Application) until such time as the relief set out in this Application, including a wind up and a receivership order for sale of the Caldari Property, has been determined; or

(b) Alternatively, an interim order directing that no steps will be taken by the Company to effect a sale, mortgaging, encumbrancing, or refinancing of the Caldari Property, except with the consent of the Applicant or order of the Court, until such time as the relief set out in the Application has been determined.

3. **Interim Costs under Section 248 of the *OBCA***

(a) an Order for costs, by way of retainer, to be paid to the Applicant for the purposes of engaging an independent Certified Real Estate Appraiser (the "Appraiser") for the purposes of providing a valuation of the Caldari Property or, alternatively, an Order from the Court directing the Company to engage an independent Appraiser to be appointed by the Court for the aforesaid purposes.

PART II – RELIEF UNDER THE *OBCA*

4. **Oppression Relief**

(a) a declaration that the Respondents have caused the affairs of the Company to be carried on or conducted in a manner that is

(i) oppressive;

(ii) unfairly disregards; and/or

(iii) is prejudicial to the Applicant, contrary to Section 248 of the *OBCA*.

(b) an Order, if necessary, directing trial of the issue of oppressive conduct of the Respondents;

(c) an Order, if necessary, directing a trial of the issue of determining the Fair Market Value of the Caldari Property;

(d) an Order compensating the Applicant for the oppressive conduct of the Respondents, including indemnification to the Applicant for (i) repayment of $400,000.00 plus interest being monies unpaid to the Applicant in respect of the investment and acquisition in the Caldari Property; (ii) compensating the Applicant in respect of unpaid rent of the Aurora Hotel Group (hereinafter defined) for the Caldari Property; and (iii) the legal costs of this Application in an amount to be determined; and

(e) an Order for the Company and Nakul Aurora, as director, to otherwise comply with the financial disclosure to shareholders as required under Section 248, Park XIV of the OBCA;

5. **Winding Up Under Part XVI of the *OBCA***

(a) A declaration that it is just and equitable that the Company be wound up pursuant to Section 207 of the *OBCA*;

(b) An order appointing a receiver of the Company pursuant to the standard-form Commercial List receivership order, as attached to this Notice of Application as

Schedule “B” (the "Receiver"), and as modified by the Court to effect the purposes of the Receiver under Section 207, and as set out below:

(i) Conduct a sale of the principal asset of the Company, being the Caldari Property;

(ii) Terminate the lease of Aurora Hotel Group in respect of the Caldari Property, by reason, *inter alia*, of non-payment of approximately $700,000 in rent;

(iii) Distribute the proceeds of sale of the Caldari Property as follows:

(1) Paying all costs of disposition including real estate commission, legal fees and disbursements;

(2) Paying all encumbrances registered up to the date of this Notice of Application, including any mortgages and secured lines of credit;

(3) Paying any closing adjustments if necessary; and

(4) Paying any liens, taxes, utilities, debts, or other liabilities;

(iv) Hold the balance of any funds from the sale of the Caldari Property for payment or distribution to the two shareholders of the Company, being the Applicant and Nakul Aurora, as the Court shall direct; and

(v) Wind up and dissolve the Company under the supervision of the Court.

6. **Derivative Action Relief**

(a) An order, if necessary, under Section 246 of the *OBCA*, granting leave to the Applicant, or the Receiver appointed by the Court, to commence action in the name of the Company (20 Caldari Development Inc.) against the Aurora Hotel Group for the recovery of the non-payment of approximately $700,000 in unpaid rent to the Company in respect of the lease for the Caldari Property.

THE GROUNDS OF THE APPLICATION ARE:

7. The Applicant, Jay Khanna, is the legal and beneficial owner of 50% of the shares of the Company, and is technically a Director and the Secretary of the Company.

8. The Respondent, Nakul Aurora, is the legal and/or beneficial owner of the other 50% the Company; and is also the Company's other director, as well as the President of the Company.

9. There is no Shareholder Agreement which governs the conduct of its shareholders.

10. There has never been a meeting of the shareholders, nor has there been an AGM since the Applicant became a shareholder.

11. The Applicant became involved with the Company and acquired his shares in concert with, and contemporaneous with, his investment of approximately $1.2 million and the Company's purchase of the property located at 20 Caldari Road, Vaughan, Ontario, L4K 4N8, as more particularly described in Schedule "A" to this Notice of Application (the "Caldari Property").

12. Presently, the Applicant and Nakul Aurora are unable to agree, participate, or work together in the management of the Caldari Property (or by extension, the Company). The inability to work together includes making decisions surrounding the disposition of the Caldari Property.

13. There has been an irretrievable breakdown in trust between the Applicant on the one hand, and Nakul Aurora on the other. This makes it impractical for the parties to continue a business relationship via the Company.

14. Thus, as beneficial owners of the Caldari Property and shareholders in the Company, neither the Applicant, nor Nakul Aurora, are able to properly enjoy their beneficial interests, and the benefits which should generally accrue to each of them as owner and shareholder respectively.

15. The Applicant, as 50% shareholder, had the following reasonable expectations in respect of his equity in the Company at the time of his investment;

(a) that the Company would be run and governed like a partnership between two equal partners;

(b) that he would participate in the business affairs and management of the Company while a shareholder of it;

(c) that there would be full disclosure to him regarding the business affairs and conduct of the Company;

(d) that he would be consulted, or at least advised, regarding the business affairs and conduct of the Company;

(e) that the Aurora Hotel Group Inc. ("Aurora Hotel Group"), an entity related to and operated by Nakul Aurora and his two brothers, Ravi Aurora and Akash Aurora, would occupy a significant portion of the Caldari Property, and remit annual rent to the Company in the approximate amount of $380,000; and

(f) that the Company, acting as an investment vehicle for the purchasing and holding of the Caldari Property, would sell the property to realize upon its anticipated increase in value (and in fact, the Caldari Property has increased in value by approximately $6 million).

Audited Financial Statements

16. The Company has never had an annual shareholders' meeting; nor has the Company ever appointed an auditor or prepared audited financial statements as required under the *OBCA* since the Applicant has been a shareholder, and the Company's inception in September 2020. In addition, there has never been a

shareholders' resolution of the Company dispensing with the requirement to prepare annual audited financial statements since the Applicant became a shareholder in 2020.

17. The Applicant has not been receiving, nor has access to the sales, revenue, and expense information, or quarterly financial reports of the Company.

18. The Applicant has no effective participation in the management and operation of the Company.

19. Nakul Aurora (principally through his brother, Akash Aurora), has control of the financial information of and available to the Company, and has neglected to provide access to the Applicant to such information.

20. As a result, the Applicant requires the Court to appoint an independent Auditor of the Company to audit its books and records and provide Audited Financial Statements for 2020 to December 31, 2022, pursuant to Section 248, Part XII of the *OBCA*.

Oppressive Conduct

(a) No rent from Aurora Hotel Group

21. The Applicant states that:

(a) the Aurora Hotel Group is the single largest tenant at the Caldari Property, occupying approximately 18,200 square feet of space;

(b) as the largest tenant, the Company was able to obtain an owner/operator classification for the mortgage registered on title to the Caldari Property in favour of Canadian Western Bank; and

(c) the Company has not received any payment of rent from the Aurora Hotel Group for occupying the Caldari Property since the property was acquired in September 2020, the estimated annual fair market rent which is approximately $380,000 per year.

(b) Banking irregularities

22. The Applicant states that:

(a) he does not have any insight into the Company's financial transactions;

(b) the Applicant has not received any information or explanation from Nakul or Akash Aurora regarding the significant transfers to and from the Company's operating bank account, which are unrelated to the Company's daily operations as a landlord and real-estate holding company;

(c) there are significant sums of money being "washed" through the Company bank account on behalf of the Aurora Hotel Group and its related entities operated by the Aurora brothers, including Countertop Solutions Inc.; and

(d) the Company is using its banking overdraft to fund and secure the financial operations of other Aurora Hotel Group companies unrelated to the Company.

(c) No financial statements

23. The Applicant states that:

(a) Akash Aurora, Nakul Aurora's brother, who is not an accountant, has been and continues to act as the de facto accountant or Chief Financial Officer for the Company;

(b) by virtue of the fact that Akash Aurora is also the Chief Financial Officer for the Aurora Hotel Group (the principal tenant of the Caldari Property) and other related companies, there is no independent oversight of the Company;

(c) since the Company was incorporated, no financial statements have been finalized and approved by the Board of Directors of the Company (save and except for draft, incomplete, notice to reader financial statements with significant irregularities for the Company year-end 2020); and

(d) audited financial statements are required by the *OBCA* and in the circumstances of the Company, and there has been no resolution or other agreement dispensing with the requirement to prepare audited financial statements.

(d) Subtenants

24. The Applicant states that:

(a) two law firms, operating as Segreto Law and Basile Criminal Law, both unknown to the Applicant, have taken tenancy and possession of a unit of the Caldari Property since November 2021 without the Applicant being informed;

(b) he has no knowledge of the terms of any lease with said law firm tenants; and

(c) the law firms have not paid any rent for occupying the Caldari Property, or, if either have paid rent, this rent has not been paid to the Company or deposited to the Company bank account.

(e) Corporate governance

25. The Applicant states that:

(a) there is no shareholders' agreement for the Company;

(b) there were no shareholders' meetings ever called for the Company;

(c) a pro-forma co-tenancy agreement for the Company was prepared in draft, but never discussed, reviewed or finalized;

(d) the Applicant's intentions to hold the Caldari Property and sell it to realize upon a capital gain was never memorialized;

(e) there has been no effort, and a failure to provide contracts, services agreements, transaction records and correspondence relating to the Company;

(f) the Company has not maintained its corporate filings; and

(g) the Company has not maintained its corporate governance in respect of mortgage requirements on the Caldari Property.

(f) Tax

26. The Applicant states that:

(a) the Company was not intended to operate the Caldari Property as a "going concern" over a long period of time;

(b) there was, and is, no tax or business plan for the Company;

(c) there have been no income tax returns prepared for the Company;

(d) there have been no HST returns prepared for the Company; and

(e) there have been no tax remittances submitted to the CRA on behalf of the Company.

Mortgage

27. The Caldari Property is subject to a first mortgage in favour of the Canadian Western Bank registered as instrument number YR3344879 (the “CWB Mortgage”), which is currently in default by reason of, *inter alia*, of the failure of the Company to have financial statements, an accurate rent roll, and tax filings and remittances; all of which acts of the Company are outside of the control of the Applicant.

28. It is a term of the CWB Mortgage that the Aurora Hotel Group also provide financial information, including financial statements, as a primary tenant of the Caldari Property and guarantor of the CWB Mortgage, and the Applicant has no knowledge or control over the Aurora Hotel Group.

29. The Applicant, both personally and corporately, is also a guarantor of the covenants of the Company in respect of the CWB Mortgage, and it is not just and equitable that the Applicant be exposed to the personal liability in light of the CWB Mortgage defaults, and the acts of oppression set out herein.

Frustration of Reasonable Expectations

30. The Applicant states that his reasonable expectations of the Company in respect of the Caldari Property as an investment property have been ignored, and frustrated by reason that:

(a) the Caldari Property was purchased as an investment opportunity in the middle of the COVID-19 pandemic at a reduced fair market value at $9.87 million;

(b) the CWB Mortgage (currently in filing default) is $8.4 million;

(c) the fair market value of the property is now approximately $15 million;

(d) $5 million of equity has been realized in two years through rise of property values;

(e) it was and is the intention of the Applicant to realize upon the increase in the property value for the Caldari Property;

(f) the financial landscape has changed since the Applicant's investment; interest rates are climbing; rent is fixed by two current tenants;

(g) the CWB Mortgage was placed only for one year, and renewal of the CWB Mortgage at current interest rates will place the Company in significant financial jeopardy; and

(h) mortgage payments will significantly increase, and the Caldari Property, through the Company, will operate at a loss.

31. The Court should order a winding up of the Corporation by reason that:

(a) the other 50% shareholder, Nakul Aurora, has departed from normal business-like practices in respect of the conduct of the Company;

(b) the other 50% shareholder, Nakul Aurora, is a shareholder in name only, and the person which is in control of the Company is in fact Akash Aurora;

(c) the personal relationship between Nakul Aurora, Akash Aurora, and the Applicant in the closely held "two person corporation" has deteriorated to the point that continued co-operation in the business and affairs of the Company is not practically feasible;

(d) the Applicant has been frustrated in his reasonable expectation of participating in the management of the Company while being 50% shareholder of it;

(e) there is no shareholders' agreement which provides an exit mechanism for the Applicant as a shareholder, absent a sale of the sole asset of the Company, being the Caldari Property under Section 207 of the *OBCA*;

(f) the reasonable expectations of the Applicant to be an active principal of the business, and to participate in its profitability have been defeated by the conduct of Nakul, Akash, and the Aurora Hotel Group;

(g) The relationship of trust and confidence between the shareholders as partners in a corporate guise has irrevocably broken down, by reason of the facts set forth herein, and by reason of paragraph 34 below; and

(h) The Company's continuation of the ownership of the Caldari Property is no longer feasible, and judicial intervention under Sections 207 and/or 248 of the *OBCA* is merited and necessary.

32. The foregoing acts and inaction of Nakul are oppressive, are unfairly prejudicial and disregard the Applicant's interests as they defeat of the reasonable expectations of the Applicant in this single-purpose Company to benefit from the Company's ultimate sale and realization upon the equity in the Caldari Property.

33. The Applicant's 50% share interest in the Company is conservatively in excess of $3.5 to $4 million, which is a significant portion of his net worth. There is no risk that a costs order cannot be satisfied.

Related Action

34. The Applicant, through corporate entities, is party to litigation where the Aurora Group of Companies Inc., Aurora Hotel Group, 2782736 Ontario Inc., Akash Aurora, and Ravi Aura are defendants, being action number CV-22-00001381-0000, where fraud and misrepresentation are at issue, and as such, the relationship of trust and confidence in respect of the Company and the Caldari Property has irretrievably deteriorated to the point that an order is required under Section 207 of the *OBCA.*

35. The Applicant has a *prima facie* meritorious claim to the relief sought in the Application.

36. Rules 14 and 40.01 of the *Rules of Civil Procedure*.

37. Parts XII (Sections 148-160), XVI (Sections 206-218), and XVII (Sections 245-248 of Ontario *Business Corporations Act,* R.S.O., 1990, B.16, as amended.

38. Such further and other grounds as counsel may advise.

THE FOLLOWING EVIDENCE WILL BE USED IN SUPPORT OF THIS APPLICATION:

(a) the Affidavit of the Applicant, Jay Khanna and Exhibits annexed thereto, to be delivered; and

(b) such further and other evidence as counsel may tender, and this Honourable Court may receive.

(Date of issue)

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Lawyers for the Applicant

SCHEDULE "A" – LEGAL DESCRIPTION OF 20 CALDARI ROAD, VAUGHAN, ON, L4K 4N8

PROPERTY DESCRIPTION: PCL 1-1 SEC 65M2681; LT 1 PL 65M2681; S/T LT552714, LT586315; S/T LT546620, LT546628 VAUGHAN

PIN: 03276-0125 (LT)

ESTATE QUALIFER: FEE SIMPLE ABSOLUTE

SCHEDULE "B" - MODEL RECEIVERSHIP ORDER OF COMMERCIAL LIST

Court File No.

ONTARIO

SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	, THE
	)	
JUSTICE	)	DAY OF , 2022

PLAINTIFF

Plaintiff

- and -

DEFENDANT

Defendant

ORDER
(appointing Receiver)

THIS MOTION made by the Plaintiff for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing [RECEIVER'S NAME] as receiver [and manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of [DEBTOR'S NAME] (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of [NAME] sworn [DATE] and the Exhibits thereto and on hearing the submissions of counsel for [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 [RECEIVER'S NAME] to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, [RECEIVER'S NAME] 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").

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 $________, provided that the aggregate consideration for all such transactions does not exceed $__________; 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;

(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 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. 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

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or

regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post

Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a

charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

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

Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

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

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) 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 ‘<@>’.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices

or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

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

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's

security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________

AMOUNT $_____________________

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [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 __-CL-_______, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $___________, being part of the total principal sum of $___________ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the 22 day of December, 2022.

[RECEIVER'S NAME], solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: ______________________________

Name:

Title:

JAY KHANNA
Applicant

-and-

20 CALDARI DEVELOPMENT INC
Respondents

Court File No.

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PROCEEDING COMME

NOTICE OF AP

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Lawyers for the Applicant

This is Exhibit “I” referred to in the
AFFIDAVIT OF TYSON HARTWELL
SWORN BEFORE ME by videoconference
at the City of Toronto, in the Province of
Ontario, on this 19th day of October, 2023.

____
Commissioner for Taking Affidavits (or as may be)

Court File No. CV-22-00692176-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

JAY KHANNA

Applicant

and

20 CALDARI DEVELOPMENT INC. and NAKUL AURORA (AKA NICK AURORA)

Respondents

AFFIDAVIT OF JAY KHANNA

I, Jay Khanna, businessman, of the City of Mississauga, in the Regional Municipality of Peel, Province of Ontario, MAKE OATH AND SAY:

1. I am the Applicant in this proceeding, and, as such, have knowledge of the matters contained in this Affidavit. Where I have received information from other parties, I state the source of that information and believe it to be true.

2. I am a principal and managing partner of a case goods furniture manufacturer in the province of Quebec, which supplies furniture to the hotel industry across Canada and the United States.

3. Although the two companies are not technically involved in this shareholder oppression application, J.I.S. Contract Furniture Inc. ("J.I.S.") and 2107307 Ontario Inc. ("2107307"), are holding companies and investment vehicles for the furniture business and myself. These two companies also provide security for the case goods furniture manufacturer of which I am the managing partner, and – as I relate further below – the two companies are guarantors of the mortgage on the Caldari Property.

Background

4. In the paragraphs that follow, I will relate the circumstances by which in September 2020, I became a shareholder of 20 Caldari Development Inc. (the "Company"), which is the registered owner of a large commercial property located 20 Caldari Road in Concord, Ontario (the "Caldari Property"). I am a 50% shareholder of the Company, as well as an officer and director. However, since its inception, the Company is conducting business without any corporate governance, and a complete absence of proper business practices in respect of the Company's accounting, finances, banking, management, tenants, taxes, and, most significantly, in respect of the mortgage (currently in default) for the Caldari Property held by Canadian Western Bank ("CWB"). By reason of all of these facts and circumstances of oppression, I seek the relief detailed in the Notice of Application, including the appointment of a Receiver to sell the Caldari Property, and a winding up of the Company.

5. I also note, that a couple of months after my investment into the Caldari Property, I was induced to loan significant amounts of money ($4.6 million), through my two holding

companies I referred to above, to the Aurora brothers to facilitate some "bridge financing" for the purchase of a hotel for them, on the basis of what I thought was a friendship and a trustworthy business relationship. I have not been repaid any of this $4.6 million. This hotel property, located in Barrie, Ontario, is currently the subject matter of a separate action[1], which alleges misrepresentation and fraud on the part of the defendants in that action (the "**Barrie Hotel Action**"). A true copy of the Statement of Claim in the Barrie Hotel Action is attached to my affidavit as **Exhibit "A"**.

Overview

6. I first met Ravi Aurora about four and a half years ago — pre-COVID-19 — in September, 2018, through a mutual client of ours (the owner of a hotel chain called Silver Hotels). That client suggested I look at the business of Ravi Aurora, and his two brothers, Akash (Shawn) and Nakul (Nick) Aurora[2], Countertop Solutions Inc., which is a fabricator of stone countertops and hard surfaces based in Concord, Ontario. There is a natural synergy since my business as a supplier of furniture and cabinetry for hotels needs to work with countertop suppliers, and the two businesses are complementary and often share the same client base. Hotel chains, often prefer one-stop solutions to their new builds and refurbishment capital projects.

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[1] SOC issued on November 1, 2022. bearing court file no. CV-22-00001381-0000 (Barrie).

[2] Nick Aurora is the personal respondent in this Application, as he as the other 50% shareholder, and the nominal president, of the Company. However, the business of the Company – such as it is – is really conducted and controlled by Nick's two older brothers, Ravi and Shawn Aurora.

7. In addition to the stone fabrication business, the three Aurora brothers, I learned, were also involved in the purchase, construction and operation of their own hotels and gas bars in the Greater Toronto Area and southern Ontario.

8. There were a couple of projects in which we worked together in 2019, where Countertop Solutions would supply my company with stone products. In addition to this sub-contract work, I got to know all three Aurora brothers, but principally Ravi and Shawn, at hotel industry trade events. There were synergies of networking with mutual hotel groups and clients which we both knew, and based on the Aurora brothers' own investments in the hotel sector. The brothers operate their hotels through an entity known as the "Aurora Hotel Group" ("AHG").

9. Through this timeframe, I began to socialize with the Aurora brothers, Ravi, Shawn, and Nick with a few dinners, and sometimes scotch and cigars; but I have a young family with two girls, and my opportunities to socialize like this are limited. Sometime in mid-July 2020 Ravi Aurora asked me to look at an industrial building in Concord, the Caldari Property, which the Aurora Hotel Group had tied up with a deposit to purchase in September 2020.

10. At first, I declined the invitation to invest from Ravi. I was reluctant to get involved on the Caldari Property transaction as the Aurora brothers had already negotiated the terms of a financing with a private lender (detailed below). Ravi Aurora gave me assurances that the Aurora Hotel Group would rent and occupy the premises at 20

Caldari, and that as the primary tenant, the Aurora Hotel Group's rent would carry the operating and lending costs, and that I would have 50%ownership of the Caldari Property.

11. With respect to the private lender initially involved on the Caldari Property, mentioned above, this person was Visram Zaherali, who the Aurora brothers referred to as their "Uncle", or "Visram Uncle". The reason I was not interested in helping Ravi Aurora in respect of the Caldari Property when he first brought it to me was because Uncle was going to receive a lending fee of approximately $300,000 and he would be lending money at a very high rate of interest at a time when, in 2020, the marketplace was at historic lows for interest rates. I told Ravi in an exchange of text messages on August 4, 2020 that I would "*have a hard time to participate on [the Caldari] project*", and that I thought there was too much risk. A true copy of my text messages exchanged with Ravi on August 4, 2020 are attached to my affidavit as **Exhibit "B"**.

12. Ravi also offered to me to become a second mortgagee of the Caldari Property 12% interest, but this was not appealing to me, either. However, I was persuaded by Ravi to get involved and to "*take Uncle out*" almost immediately, if I would participate and assist with the financing of the purchase of the Caldari Property. In return, I would receive a 50% ownership share in the Caldari Property and Ravi would take care of the carrying cost. I decided that investing in the Caldari Property could be a good investment in real estate, and decided to become a co-owner of the property. A true copy of my text messages exchanged with Ravi on August 5, 2020 are attached to my affidavit as **Exhibit "C".**

13. On September 16, 2020, we closed on the Caldari Property whereby I paid approximately 90% of the closing deposit, fees, and equity in the property. The Aurora brothers did not have sufficient funds available to close for their "half", and only paid approximately $128,000 at the closing. I had already provided to the Aurora brothers an additional $400,000 of which I was to be repaid through a promissory note from the Aurora Hotel Group. At the closing of the Caldari Property, the Aurora brothers were still short approximately $651,000, and so I provided all of the remainder of the $1.7 million for the closing of the Caldari Property. I received back from the Aurora brothers, through AHG, a second promissory note in the amount of $651,000 – which was paid off in full on February 22, 2022. However, the initial promissory note for $400,000, which was borrowed pre-closing, is still outstanding. A true copy of the outstanding promissory note for $400,000 on the Caldari Property, dated September 4, 2020 and executed by Shawn Aurora on behalf of the Aurora Hotel Group, is attached to my affidavit as **Exhibit "D"**.

14. A true copy of the CIBC statement from the bank account of J.I.S. showing the transfer on September 10, 2020 of $400,000 to the Aurora Hotel Group, $1,677,616.34 sent to the Aurora Hotel Group to close the Caldari Property on September 16, 2020, and the Flow of Funds summary from the real estate lawyers who handled the transaction, are collectively attached to my affidavit as **Exhibit "E"**.

Incorporation of the Company

15. The mechanics of the purchase of 20 Caldari Property were handled by Shawn Aurora, and Shawn Aurora also looked after the incorporation of the Company.

16. On August 30, 2020, prior to the closing of the Caldari Property, I had a meeting with Shawn Aurora at the former offices of the Aurora Hotel Group at 8820 Jane Street, in Concord, Ontario, where we discussed the upcoming Caldari Property transaction. Of course I had gotten to know Shawn over the last year or so. I understood him to be a lawyer as all of his emails to me display that he has an "LLB Honours". He had also done some legal work for my two companies (i.e. the two plaintiffs in the Barrie Hotel Action) regarding the corporate minute books.[3] In dealing with the Caldari Property and the upcoming purchase, Shawn was also the driving force behind dealing with the real estate lawyers, setting up the Company, which he incorporated, preparing and issuing the shares, and other legal issues.

17. On September 1, 2020, Shawn emailed me to advise that we would need to incorporate a company, and that the name of "20 Caldari Development Inc." had been cleared. A true copy of his emails to me on September 1, 2020, are attached to my affidavit as **Exhibit "F"**.

18. On September 3, 2020, the Company was formally incorporated, and Shawn sent to me a copy of Certificate of Incorporation, which identified myself, and Nick Aurora as the two directors of the Company. I also received a share certificate for 50 Class A Shares of the Company, and Nick Aurora received the same. True copies of the Certificate of Incorporation and the share certificates are attached to my affidavit as **Exhibit "G"**.

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[3] I had learned from Shawn that he had obtained his law degree in the United Kingdom, and he had mentioned to me a couple of times that he was thinking of setting up his own law office, but, I did not know at the time whether he was a lawyer in Ontario. I am now advised by my current counsel and verily believe that he is not licensed to practice law in the province of Ontario.

19. Also dated September 3, 2020, is By-Law No. 1 of the Company, which provides for some basic corporate governance of the Company, and directs – among other things – the holding of shareholder's meetings. I do not have a copy of By-Law No 1 that is signed by me, and I do not recall if I ever signed it or not; however, a true copy of By-Law No 1 as signed by Nick Aurora is attached to my affidavit as **Exhibit "H"**.

20. Also on September 3rd, 2020, I signed a Resolution of the First Directors and By-Law No. 2 to allow the Company to borrow the funds for the purchase of the Caldari Property, a true copy of which is attached to my affidavit as **Exhibit "I"**.

CWB Mortgage

21. Starting in March 2021, with a Commitment Letter, the Company and the Aurora brothers, with my support and concurrence, arranged for take out re-financing of the existing private lender by CWB. A true copy of the Discussion Paper of the terms of the refinancing with the CWB dated March 12, 2021 is attached to my affidavit as **Exhibit "J"**.

22. On March 25, 2021, at the request of Ravi, the law firm of Chaitons LLP circulated a draft co-tenancy agreement to the three Aurora brothers, and myself. Although the document had apparently gone through several drafts prior to this, this was the first time I had seen the document. There were a couple of items in the draft co-tenancy agreement that I was not clear about, and a couple I was not happy about. Ultimately, this issue of a co-tenancy agreement died, and the document was never approved or signed by anyone to my knowledge. I will give further evidence on the co-tenancy agreement and corporate governance, below.

23. The Caldari Property was remortgaged by CWB with a single first mortgage in the amount of $8.64 million, for one year, at 2.55%. As we were active in finding a tenant for part of the property, and addressing some environmental issues on the property, this CWB refinancing did not close for more than 7 months until November 23, 2021.

24. As part of the CWB re-financing, I had to provide personal guarantees from myself and my two holding companies – JIS and 2107307. A true copy of the CWB Mortgage documentation which I have (which may not be complete) is attached to my affidavit as **Exhibit "K"**. These documents include:

i. Charge/Mortgage of 20 Caldari, dated November 23, 2021
ii. Promissory Note ($8,640,000.00), executed October, 2021
iii. Mortgage Agreement, executed October, 2021
iv. Canadian Western Bank – Assignment and Postponement of Creditor's Claim (among Nakul Aurora - Creditor), October, 2021
v. Canadian Western Bank – Assignment and Postponement of Creditor's Claim (among Akash Aurora- Creditor), October, 2021
vi. Canadian Western Bank – Assignment and Postponement of Creditor's Claim (among Aurora Hotel Group Inc. - Creditor), October, 2021
vii. Canadian Western Bank – Assignment and Postponement of Creditor's Claim (among Jay Khanna - Creditor), October, 2021
viii. Canadian Western Bank – Assignment and Postponement of Creditor's Claim (among 2107307 Ontario Inc. - Creditor), October, 2021
ix. Canadian Western Bank – Assignment and Postponement of Creditor's Claim (among J.I.S. Contract Furniture Inc. - Creditor), October, 2021
x. Assignment of all Risks Insurance & General Liability and Fire Insurance to Canadian Western Bank, executed October, 2021
xi. Canadian Western Bank, Assignment of Bank Instrument, executed October, 2021
xii. Debt Service and Cost Overrun Agreement to Canadian Western Bank, executed October, 2021;
xiii. Canadian Western Bank, Environmental Agreement and Indemnity
xiv. Canadian Western Bank – Full Liability Guarantees, signed by Akash & Nakul Aurora, Aurora Hotel Group Inc., J.I.S. Contract Furniture Inc., Jay Khanna, 2107307 Ontario Inc.
xv. Canadian Western Bank – General Security Agreement from Nakul Aurora
xvi. Canadian Western Bank – General Security Agreement from Akash Aurora

xvii. Canadian Western Bank – General Security Agreement from 20 Caldari Development Inc.
xviii. Canadian Western Bank – General Security Agreement from Aurora Hotel Group Inc.
xix. Canadian Western Bank – General Security Agreement from Jay Khana
xx. Canadian Western Bank – General Security Agreement from 2107307 Ontario Inc.
xxi. Canadian Western Bank – General Security Agreement from J.I.S. Furniture Contract Inc.
xxii. Resolution of the Directors of 2107307 Ontario Inc., October, 2021
xxiii. Resolution of the Directors of Aurora Hotel Group Inc., October, 2021
xxiv. Resolution of the Directors of J.I.S. Contract Furniture Inc., October, 2021
xxv. Certified Copy of Resolution for Guarantee of 2107307 Ontario Inc., October, 2021
xxvi. Certified Copy of Resolution for Guarantee of Aurora Hotel Group Inc., October, 2021
xxvii. Certified Copy of Resolution for Guarantee of J.I.S. Contract Furniture Inc., October, 2021
xxviii. Ontario PPSA New Registration re Aurora Hotel Group Inc., dated November 9, 2021
xxix. Ontario PPSA New Registration re Aurora., dated October 25, 2021
xxx. Notice of Intention to Aurora Hotel Group Inc., executed November 19, 2021
xxxi. Business Loan Life Insurance Application, executed November 19, 2021.

Aurora Hotel Group Lease

25. One of the conditions of the CWB Discussion Paper (found at Exhibit "J") for the re-financing was that the Aurora Hotel Group (the main business of the Aurora brothers) would occupy approximately 18,200 sf of the Caldari Property; and by doing so, the Company would be viewed as having “owner occupied” status for the CWB re-financing. The Aurora Hotel Group had been occupying space at 20 Caldari since we had closed on the property, and had moved in as their head offices. Shawn worked with a CWB account representative and prepared a lease between AHG and the Company, which is dated February 1, 2021. The lease provides for rent to be paid by AHG of $31,623 per month,

which was "at market" rent for this space at $20 per sf for the commercial warehouse and office space.

26. I was not involved in preparing or negotiating the lease between the Company and AHG; but the February 2021 lease is signed by Nick Aurora, on behalf of 20 Caldari Development Inc, and by Shawn Aurora on behalf of Aurora Hotel Group Inc. I did not see the lease until June of 2021, after being copied on an email where it was sent to an appraiser, NCWB, as part of the CWB re-financing.

Other Tenants at Caldari Property:

27. After closing on the Caldari Property, the CBRE agent who had sold us the Caldari Property sourced a tenant for Unit #1 – Mirion Technologies – which occupies approximately 9,935 sf of space paying $14,145 per month. Mirion Technologies took the space and began paying rent January 21, 2021 for a three-year term. A true copy of the Mirion Technologies lease is attached to my affidavit as **Exhibit "L"**.

28. A second tenant for Unit #2 was sourced through a neighbouring landlord in the area, and Stone Quartz Inc. took possession of 11,500 sf commencing January 15, 2021 for a six-year term, paying $18,000 per month for this space. A true copy of the Stone Quartz lease is attached to my affidavit as **Exhibit "M"**.

29. Unknown to me, the Aurora brothers leased some of the main floor office space to a law firm, or law firms, which they started to occupy in October or November 2022, but as to who the actual parties to this lease arrangement are, how much space, and how much rent is paid, has never been disclosed to me.

Company Bank Account

30. From the inception of the Company, apart from some initial transactions through the Aurora Hotel Group for the first couple of months, the Company has maintained a commercial banking account with the CWB, Account #01014353737 (the "Bank Account"). The signing authority for the Bank Account is myself, and Nick Aurora – but I have never signed or issued any cheques from the account. I have online access to the Bank Account through the CWB portal, but I have never initiated any transactions electronically. The banking for the Company is done primarily by Shawn, who has access to the account through Nick's access card.[4] A true copy of all of the statements from the Bank Account from November 2020 to November 30, 2022, are attached to my affidavit as **Exhibit "N"**.

Mortgage Default – August 2022

31. One of the requirements of the CWB mortgage is that the Borrower – and the Guarantors – have and provide regular financial reports and financial statements to the CWB. For my two holding companies, this is not an issue, as I have other financial commitments with my operating business, and my financial reporting is always up to date. Not so with the Aurora Hotel Group. And because the AHG is listed as an "owner / occupier" of the Caldari Property, the AHG reporting is quarterly, and proper financial statements are required by the CWB for AHG and for the Company.

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[4] The Bank Account number was originally 101012991925 starting in November 2020; and changed to the current account number between March and April, 2022, due to a "virus" which had infected the AHG's financial platforms, apparently.

32. By August of 2022, both the AHG and the Company were in default of the mortgage with CWB with respect to financial reporting; and, on August 26, 2022 the CWB issued a formal Notice of Default to the Company that it was in default (the "**CWB Default Notice**"). The CWB Default Notice requested that the Company and the Guarantors acknowledge the default. I received the CWB Default Notice by registered mail – which was alarming as I had been told and received assurances from Ravi and Shawn that their financials "were being looked after". Attached to my affidavit as **Exhibit "O"** are some of the text messages from September 5, 2022 exchanged with Ravi in that regard, as well as the Notice of Default.

33. On September 8, 2022, the CWB received back acknowledgements signed by Nick and Shawn to the CWB Default Notice, for themselves, and for the Company and AHG.

34. Although the CWB Default Notice had a space for my acknowledgement of the default, neither I nor my two companies as Guarantors were in default, and I did not sign or acknowledge the CWB Default Notice. Attached to my affidavit is the email chain of September 9, 2022, between Ani Modi at the CWB and Virena Behere of AHG, on which I am noted as a copied party, which is marked as **Exhibit "P"**.

35. In September 2022, I was becoming anxious about the continued default under the CWB mortgage, and whether there was going to be a renewal - or what? At one, point Ravi Aurora had texted me, and had mentioned selling. On September 20, 2022, I had been in contact with the account representative at the CWB, Ani Modi, who advised me that compliance documentation had still not been received, and that "*timelines indicated*

earlier [for financials] ... have not been met". Then, subsequently on September 28, I had the following text exchange with Shawn and Ravi:

Me: Shawn need to speak this morning about mortgage
Did you meet Ani [the CWB Rep] Monday ?
Shawn: I did
Me. And?
Guys I'm a 50% shareholder in caldari
Am I not [?]
Are you not supposed to provide me with the information that I request
I'd like to know what's going on with the mortgage
I can go to Ani directly and get the information
But how does that look that a partner is asking the bank what's going on with the partners documentation
Ravi:
Morning, jay we want to get you all the information but we are so behind on getting our reporting done we are working on that atm as priority, and I am working on financing for all properties and possible sale for some.

A true copy of these text message exchange on September 28, 2022 is attached to my affidavit as **Exhibit "Q"**.

36. Since the Notice of Default was acknowledged by the Aurora brothers back in August, 2022, and despite the promise to get me "*all the information*", I have confirmed with Mr. Modi at the CWB there are still no financial statements from the AHG or from the Company; and now, the one-year mortgage with the CWB is up for renewal – at a significantly increased rate of interest.

Part II - Acts of Oppression

37. The control exerted over the Company, and the manipulation of the Company and the Caldari Property to the benefit of Nick Aurora, his brothers, Shawn and Ravi, and the Aurora Hotel Group, has completely frustrated the $1.7 million business investment I have made into the Company and the Caldari Property. In the paragraphs that follow, I will set out the facts of this frustration, which left me no other option than to commence this Application.

Company Bank Account

38. As I have related earlier, although I have signing authority with respect to the Bank Account with CWB, I have never written any cheques or conducted any electronic banking transactions with that account. I do have access through the CWB online portal and can view the transactions occurring in the account, which cause me serious concern.

39. In the initial stages of my business relationship with the Aurora brothers, they would seek my concurrence and permission for expenses relating to the Caldari Property, and in the initial stages of my investment, I was quite active in being involved with the environmental clean up of the property which needed to be addressed, and I was very much involved with the retrofitting of the tenant areas of the building – the areas now occupied by Mirion and Stone Quartz. However, once CWB closed on the mortgage refinancing in November 2021, the Bank Account has had a number of transactions, some regularly occurring, that have nothing to do with the business of the Company. Generally, the Bank Account, should be reflecting (i) the payment of monthly rent from the tenants;

and (ii) the monthly mortgage payments to CWB; however, this does not seem to be what is occurring:

Unrelated Transactions

40. On a regular basis, the Bank Account receives cheques payable to the Company from entities which I know nothing about, but which I believe to be related to the Aurora Hotel Group, or its other various companies. What is common about these cheques is that the funds deposited from these entities into the Bank Account are almost automatically withdrawn and paid back out to Aurora Hotel Group or its related entities, Countertop Solutions and Aurora Holdings. These cheques, and subsequent disbursement of the funds, are for significant sums; in some instances, often $100,000 to $300,000 are transacted in a single month which is inconsistent with the operations of the Company. I have repeatedly asked the Aurora brothers, and principally, Shawn Aurora, what these payments relate to, and I have had vague responses that the movement of these funds through the bank account relate to substantiating renovation costs for the Caldari Property. This is alarming to me, as it has continued for many months, and of course, there are no significant renovations in fact taking place at the Caldari Property that would justify the amounts being transferred in and out of the Bank Account. The entities paying these funds into the Bank Account (with the funds being paid to the Aurora Hotel Group or their related entities thereafter), do not relate to anything transpiring at the Caldari Property.

41. As an example, I note that the transactions for the month of April, 2022 which show:

- On April 8, 2022, Shawn Aurora wrote a cheque for $350,000 to Countertop Solutions Inc., which placed the Bank Account into a -$347,349.66 overdraft. There was no indication what this cheque amount was for.
- On April 8, 2022, a cheque for $34,000 signed by Shawn Aurora was paid to the Aurora Hotel Group with the notation "*RTN CORP LOAN*".
- On April 12, 2022, a $200,000 cheque was deposited into the Bank Account from an unknown entity.
- On April 19, 2022, a $150,000 cheque was deposited into the Bank Account, again from an unknown entity.
- On April 22, 2022, there are a series of four deposits to the Bank Account from an unknown source totalling $39,000.
- On April 26, 2022, Shawn Aurora signed another cheque to Countertop Solutions for $113,000 without a notation of what this amount was for.
- On April 28, 2022, another cheque for $169,500 was made payable to Countertop Solutions Inc. by Shawn Aurora, again without a notation of what this amount was for, and which placed the Bank Account into overdraft for the amount of -$282,466.29.

A true copy of the April 2022 Bank Account statement is attached to my affidavit as **Exhibit "R"**.

42. I have reviewed the Bank Account statements, and for the period up to November 2022, there are approximately twenty-six of these transactions where this has been occurring.

43. What is further concerning to me about all of these amounts being "washed" through the Bank Account, is that there are a number of cheque references to the cheques payable to the Aurora Hotel Group, signed by Nick Aurora, where the notation is "*RTN CORP LOAN*" – which is simply not true. No money was ever loaned by the Aurora Hotel Group to the Company (although the Aurora Hotel Group is in default of rent, which I will later relate). I have a concern that the Bank Account is being used in the furtherance of financial fraud.

Personal Use of the Bank Account

44. In October, 2022, there were transactions passing through the Bank Account where Manisha Bumrah and Manpreet Bumrah were each paid $15,000 by Company cheques signed by Shawn Aurora.[5] When I asked Ravi Aurora as to who these people were and why these people were being paid from the Company Bank Account, at first Ravi pretended he did not know who these people were and then later alluded to them

[5] I am unaware that Shawn Aurora actually has signing authority for the Company. Shawn Aurora is not an officer, director or shareholder of the Company, and there is no authorizing resolution that I have ever been presented with, or signed, which would give him this authority. As I have mentioned previously, although Nick Aurora is the putative officer and director, it is really Shawn Aurora who controls and directs the Company banking and finances, and he does sign cheques on the Bank Account.

being his cousins. However, he did not explain to me why these people were receiving funds from the Company. A true of these cheques and text messages between Ravi and I are attached to my affidavit as **Exhibit "S"**.

45. Another concern I have is in respect of payments being made to Countertop Solutions is that I believe that these funds are being used to finance renovation or operational costs with respect to another property which the Aurora brothers acquired located at 20 Regina Road, Concord, Ontario (which I attended on August 11, 2022) - where Countertop Solutions Inc. have moved their operations to, and that the Company's credit is being used for this business of the Aurora brothers.

Use of Company Overdraft / Credit

46. The Bank Account also has an overdraft credit limit of up to the value of the registered CWB mortgage, which is $13.1 million. I have reviewed the transactions from the Bank Account statements, and while I readily acknowledge I am not an accountant or have special expertise in this area, it appears that the overdraft on the Bank Account is being used to finance other entities related to the Aurora Hotel Group, as I refer to above. The movement of large sums of money between these companies through the Bank Account has no other explanation. The Bank Account deficit has run as high as almost $300,000 – and of course, it is the Company that pays the interest and bank charges on these substantial overdrafts. I attach, by way of illustration, the statement for October 2022, where there are six-figure unrelated transactions, and the overdraft ranges from $1,399 to $251,339.33, which statement is marked as **Exhibit "T"** to my affidavit.

47. The timing of the deposits and withdrawals to the Bank Account – occurring every month in various amounts – is always done within 24 to 48 hours of the withdrawal of funds to an AHG entity, and corresponding repayment by another AHG entity of the funds.

Corporate Governance and Financial Statements

48. Around the time the Company was formed, I discussed the preparation of a shareholder agreement with Ravi and Shawn Aurora for the Company, which I believed would be required in order for the Company to obtain financing from a financial institution, as opposed to a private lender.

49. Ravi Aurora thereafter requested that a co-tenancy agreement be prepared by the law firm, Chaitons LLP. I understood this agreement to be the equivalent of a shareholder agreement, which would govern the interests of each, individual shareholder in the Company, being myself and Nick Aurora.

50. On March 25, 2021, I received an email from Ravi Aurora addressed to the lawyer at Chaitons, Alex Krancevic, following up on the status of the draft co-tenancy agreement. In response, Ms. Krancevic advised Ravi Aurora that she had already circulated a draft co-tenancy agreement back in December 2020 (the "Draft Co-Tenancy Agreement"), and reattached her email to Ravi Aurora in her response, which I was not originally copied on. A true copy of this email correspondence is attached to my affidavit as **Exhibit "U"**.

51. This was the first time I had received a copy of the Draft Co-Tenancy Agreement between the Company, 2775811 Ontario Inc., and my holding company, J.I.S. This coincided with the time that we received a discussion paper from the CWB as we worked

to secure financing. Upon review at the time, the Draft Co-Tenancy Agreement did nothing to advance my desire to have a document which looked after corporate governance. In fact, it seemed to do the very opposite. Here's why:

52. The Draft Co-Tenancy Agreement did nothing for corporate governance, since it strangely listed 2775811 Ontario Inc. (a company I never heard of, which is defined as "Aurora"), and also listed my holding company, which was not a shareholder or investor of the Company, and would never occupy the Caldari Property.

53. The "Minimum Hold Period", being the time period to hold the Caldari Property, was five years. This was unacceptable to me, because the whole point of the investment was to be flexible on its potential resale to make a profit. The Caldari Property was acquired at an advantageous "low" in the commercial real-estate market during the COVID-19 pandemic, and was disadvantaged by some environmental issues (which we cleaned up). If the opportunity, or a buyer, presented itself, I wanted to have the ability to have the Caldari Property sold, and make a profit, not operate it as a going concern.

54. The Draft Co-Tenancy Agreement, in section 19, allowed for a capital call to be made by the Company, and, by this time, the Aurora Brothers, had my investment in the Company, as well as $4.6 million unpaid to me in respect of the Barrie Hotel acquisition; and, of course, the unpaid promissory note for $400,000 for the monies I lent them to buy the Caldari Property in the first place.

55. The Draft Co-Tenancy Agreement, in setting up the Company as the bare trustee, was an entirety different tax structure; and while I am not an accountant, and no expert in

tax issues, I could see that the Draft Co-Tenancy Agreement might significantly alter the benefit or investment strategy for the Caldari Property. If a co-tenancy agreement that was proffered to me by the Aurora brothers through Chaitons was to be seriously considered, I would have to get an accountant and tax planner involved to consider tax-related implications and strategies, both short and long-term. This issue of a Co-Tenancy Agreement was ultimately not pursued, and the document was never approved or signed by me, or by Nick Aurora, to my knowledge.

No Financial Statements

56. Since the inception of the Company, no financial statements have produced for the Company. On several occasions, I have raised the issue, and requested that we obtain financial statements of the Company with Shawn Aurora. The response has always been to the effect that "*yes we should do this, but we are so behind on our other reporting*...", but a date for it happening, or actual financial statements, has never occurred.

57. As I began to lose my faith and trust in the Aurora brothers and their way of doing business, I began to review the transactions in the Bank Account, and now, in light of the notations on the cheques and large amounts going in and out of the Bank Account, I do not know how proper financial statements could even be prepared. In the circumstances I have related, only a forensic audit and review of what has gone on in the Bank Account could reveal or determine what the actual financial position of the Company really is.

58. Now, after two years have passed since the Company was formed, and started its business – being the owner and landlord of the Caldari Property – there is no accurate picture of what the financial status of the Company actually is.

59. Shawn Aurora is effectively acting as the de-facto Chief Financial Officer of the Company (and in reality, is the real person directing the business and affairs of the Company for his younger brother, Nick). Shawn Aurora is also acting as the Chief Financial Officer for the Aurora Hotel Group and its various other companies. As such, Shawn Aurora is in conflict between the Company and the Aurora Hotel Group, as the main tenant of the Caldari Property, and there is no true or independent financial oversight of the Company, its finances, or its transactions. The co-mingling of funds in the company's bank account with other companies of the Aurora Hotel Group is being ??? and directed by Shawn Aurora.

No Income Tax or Remitted Filed or Remitted

60. Another serious deficiency in the governance of the Company is that – in the absence of financial statements – no tax returns have been prepared or filed with the CRA to my knowledge, and – from my review of the Bank Account – there is certainly no income tax or HST which has been remitted.

61. While the Company may be operating at a bare "break even", or more likely at a loss, I have no idea what its income tax status is. Moreover, there have been no HST returns filed, or remittances made, to my knowledge. In both instances, there are likely to be penalties for the failure to file by the Company. And, in both instances, there is the

potential for personal liability to me – as an officer and director – if the Company fails to file and pay. This situation cannot continue, and I cannot trust or rely on the Aurora brothers to acknowledge it, or address it – let alone rectify it.

No Shareholder Meeting or AGM

62. Since the inception of the Company, there has been no annual general meeting, or a shareholder meeting of any kind. This is more than just form, as resolutions in respect of leases, appointment of a corporate accountant, shareholder loans, refinancing options, etc., have not been proposed, discussed, or voted upon. Now, of course, I believe that the time for the holding of a shareholder meeting has long passed. As between two shareholders, each with a 50% interest, I expect that most items of business of the Company would result in an irreconcilable deadlock. A 50/50 shareholder arrangement can work, and in fact I thought it would work, where there is trust, honesty, disclosure, and good faith between the two shareholders, who are "partners" with mutual goals and objectives – being to realize on their investments, and maximize their profits. But, trust, honesty, disclosure and good faith has evaporated for me as a shareholder in the company and with Aurora brothers.

Lease to the Aurora Hotel Group

63. As mentioned in the background facts above, there is a lease between the Company and the Aurora Hotel Group dated, February 1, 2021 which is executed by both parties (by Nick Aurora on behalf of the Company, and Shawn Aurora on behalf of the Aurora Hotel Group), and is attached to my affidavit as **Exhibit "V"**.

64. This lease was presented by the Aurora brothers and the Aurora Hotel Group to the CWB in August 2021 to satisfy a condition of financing, and to demonstrate that the Caldari Property, would, in part, be owner occupied. I do not believe that the square footage to be rented by the Aurora Hotel Group to be accurate. However, my concern with respect to the AHG Lease is:

- The Aurora Hotel Group is not paying any rent to the Company for the office space which they occupy for their head office;
- Nor is the Aurora Hotel Group paying any rent to the Company for the industrial space they are occupying in Unit 3 of the Caldari Property;
- The industrial space in Unit 3 being occupied by the Aurora Hotel Group is essentially being used as storage for extra material from their other businesses which, given that the building is prime industrial space, is a waste; and
- While the Aurora Hotel Group is using the industrial space as storage, it prevents the Company from leasing this space to a potential tenant – a tenant that would actually pay rent to service the CWB Mortgage and carrying costs of the Caldari Property (and perhaps turn a profit).

65. Pursuant to the terms of the Lease between the Company and AHG, there is to be paid monthly rent of $31,623 – but there are no actual deposits of rent by AHG to the Bank Account of the Company at any time. Since February 2021, the unpaid rent

obligation of AHG under the terms of the AHG Lease is 22 months to the end of November, 2022 – or approximately $695,706 – owed to the Company.

Lease to Law Offices

66. On October 15, 2021, Ravi Aurora sent me an email indicating that office space on the ground floor of the Caldari Property was going to be rented to three lawyers, along with a copy of a draft lease with these tenants, which indicated the Company would be paid approximately $3,000 per month for the office space. A true copy of Ravi Aurora's email of October 15, and the draft lease, is attached to my affidavit as **Exhibit "W"**.

67. In following up with Ravi Aurora regarding the lease, I was then advised that there was, in fact, no lease, and that the lawyers were occupying the office space on a month-to-month basis. The identification of the three lawyers (or possibly three law firms occupying the space), which I obtained from their respective internet websites, is attached to my affidavit as **Exhibit "X"**.

68. However, since occupation of the Caldari Property, no money has ever been deposited into the Bank Account of the Company from these tenants, and while I have no actual knowledge of the terms of the agreement or lease by which they are occupying the space, I believe the rent has been taken by the Aurora brothers and/or the Aurora Hotel Group, and not paid to the Company. This amount is now approximately $40,000.

69. I have made a number of inquiries to Ravi and to Shawn of where the rent collected from these tenants has gone, and to date, do not have a response from any of the Aurora

brothers. On September 24, 2022, I sent a text message to Ravi, Nick and Shawn Aurora, as follows:

> *Hello would like to call a board [meeting] for 20 Caldari*
>
> *...*
>
> *Want to review the following:*
>
> 1. *Current rental structure for the building*
> 2. *Occupancy of vacant area*
> 3. *Understanding "actual" rent roll*
> 4. *Reviewing compliance documentation pertaining to CWB*
> 5. *Discussing lease and rent for lawyer soffice on ground floor*
> 6. *Discussing renewal upcoming mortgage*
> 7. *Reviewing "actual" renovation cost*

A true copy of my text message of September 24, 2022 to the group – Ravi, Shawn and Nick - is attached to my affidavit as **Exhibit "Y"**.

70. I never did receive an answer responsive to the seven issues I raised in my text to the Aurora brothers, and, of course, there never was a board meeting for the Company. The missing rent of approximately $40,000 from the law office tenants is still not accounted for.

Frustration of My Expectations

71. As I have related, the Caldari Property was bought in the middle of the COVID-19 pandemic – in the Fall of 2020. I was persuaded to invest into the Caldari Property on my

judgment that the property was undervalued, and that there would be a rebound of commercial property (and all business) once the pandemic had run its course. It was a calculated business risk, which has paid off.

72. The mortgage with the CWB – which is now coming due – is for $8.4 million – which means that there is a potential $6.6 million increase in the company's equity in the Caldari Property. Absent all of the actions of the Aurora brothers, it is still the right time to get out. But with the objectionable conduct of the affairs of the Company, and the current default of AHG and the Company in its reporting requirements with the CWB, an exit from the Company and this property is imperative.

73. With the rise of interest rates, it is no longer possible to service the debt on this investment – and to hang onto the asset by the Company defeats the ability of the Company to realize upon its purpose – an investment vehicle for purchase of the Caldari Property.

74. It was never my intention in making the investment into the Company that it would be a long-term business, or that the Company would be run as a "going concern" as a commercial landlord for the long-term. My object and intention was – and is – to purchase the Caldari Property at a "low", with the expectation that property values would rise after COVID (which they have) and sell the property at a profit. This is exactly what has happened, and the time to sell the property is now.

Summary

75. On the basis of the evidence I have given in this affidavit, I believe that the actions of the Company, and the other 50% shareholder, Nick Aurora (in concert with his two brothers, Ravi and Shawn, and the Aurora Hotel Group), have been oppressive to me as a shareholder, have compromised the credit of the Company, and have defeated the expectations I had in investing in the Caldari Property, including the following:

(i) The Bank Account is being used for significant transactions unrelated to the business of the Company;

(ii) The Bank Account is being used by the Aurora brothers or the Aurora Hotel Group for their own personal and corporate purposes;

(iii) The Bank Account is being used for the credit available to the Company to the benefit of the Aurora brothers and the Aurora Hotel Group;

(iv) The Bank Account indicates transactions relating to the Company, which the Company, or its Board of Directors, have not authorized;

(v) The Bank Account is being used to support transactions that are suspect, at a minimum, and likely financially fraudulent.

(vi) Corporate governance is completely lacking, and there has been no meeting of the Board of Directors since the inception of the Company in September 2020;

(vii) Corporate governance is absent by reason of there being no shareholder meeting or annual general meetings of the Ontario *Business Corporations Act* ("OBCA");

(viii) Corporate governance is absent by reason that no accountant has been appointed on behalf of the Company, other than the self-appointed, Shawn Aurora;

(ix) The Company has no financial statements whatsoever, let alone financial statements that have been received or reviewed by the shareholders, or audited financial statements as required by the OBCA;

(x) The principal tenant of the Caldari Property, the Aurora Hotel Group, has paid no rent since the lease between the Company and the Aurora Hotel Group was entered into;

(xi) The Aurora Hotel Group and the Aurora brothers are renting space at the Caldari Property to three law firms and "pocketing" the proceeds of this rent;

(xii) The Company is in default of reporting requirements to the mortgagee, CWB, and has been in acknowledged, continual default, since August 2022;

(xiii) The Aurora Hotel Group, as the Guarantor with reporting obligations to CWB, is also in acknowledged, continual default since August 2022;

(xiv) The Aurora Hotel Group is in default of repayment of a promissory note to my holding company, J.I.S., for funds lent to purchase the Caldari Property in the amount of $400,000;

(xv) The Company is in default of preparing income tax returns under the *Income Tax Act*;

(xvi) The Company is in default of remitting any tax to the Canada Revenue Agency;

(xvii) The Company is in default of preparing any HST returns;

(xviii) The Company is in default of remitting any HST;

(xix) The Company's failures for items (xv) through (xviii) expose me, as an officer and director of the Company, to potential personal liability for unpaid taxes, unpaid HST, and potential significant penalties;

(xx) The Company, with the CWB mortgage coming due, the significant rise in interest rates, and an insufficient income from rent from the Caldari Property, cannot continue to operate as a going concern;

(xxi) The shareholder equity in the Company, which I have, will be significantly eroded by the growing Company debt, default, and unpaid taxes; and

(xxii) The Company's only asset, the Caldari Property, has increased significantly in value, and it is appropriate and timely that the concomitant increase in shareholder value, be realized upon.

76. I make this affidavit in support of the relief sought in the Notice of Application, issued December 22, 2022 in this proceeding, and I make this affidavit as of the facts and evidence known to me as of December 31, 2022.

SWORN by Jay Khanna at the City of Mississauga, in the Province of Ontario, before me on May 19, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely	
Commissioner for Taking Affidavits (or as may be) MARKO PETROVIC (#77778F)	**JAY KHANNA**

Court File No. CV-22-00692176-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

JAY KHANNA

Applicant

and

20 CALDARI DEVELOPMENT INC. and NAKUL AURORA (AKA NICK AURORA)

Respondents

SUPPLEMENTARY AFFIDAVIT OF JAY KHANNA

I, Jay Khanna, businessman, of the City of Mississauga, in the Regional Municipality of Peel, Province of Ontario, MAKE OATH AND SAY:

1. I am the Applicant in this proceeding, and, as such, have knowledge of the matters contained in this Affidavit. Where I have received information from other parties, I state the source of that information and believe it to be true.

2. I make this affidavit in supplement to my primary affidavit, sworn May 8, 2023, in which I gave my evidence in this application up to and including December 31, 2022. It is the purpose of this supplementary affidavit to provide additional evidence relating to the company, 20 Caldari Development Inc. (the "Company"), from January 1, 2023 to

the date of this supplementary affidavit. Where defined terms are used in my primary affidavit, I will use the same terms in this supplementary affidavit without further definition.

Unpaid Property Taxes for the Caldari Property

3. In March 2023, after the default of the CWB Mortgage went into special loans, I made a direct inquiry myself to the City of Vaughan as to the status of property taxes for the Caldari Property. I learned, at that time, that there were unpaid property taxes since at least the latter part of 2021. As of a statement I obtained from the City of Vaughan on March 8, 2023, there is:

(a) $84,687.71 overdue taxes, which represent the entirety of the 2022 property taxes;

(b) $37,610.00 is currently owing for the 2023 interim levy.

A true copy of the Interim 2023 tax statement from the City of Vaughan as of March 8, 2023 is attached to this supplementary affidavit as **Exhibit "AA"**.

4. I have reviewed the bank statements for the Bank Account since January 1, 2023, and there are no cheques or outgoing payments to the City of Vaughan that I can ascertain, and I believe that the property taxes for the Caldari Property remain outstanding in the amount of $109,761.71, with another $12,536.00 due by May 29, 2023.

Bank Statements and Suspect Financial Transactions

5. I continue to have access to the Bank Account through the CWB online portal, and attached to this supplementary affidavit are the bank statements for the months of December, 2022 to April, 2023, as **Exhibit "BB"**.

6. My review of these statements indicate the following:

(a) The transactions in February and March, 2023 indicate funds going to Aurora Holding Ontario Inc. (which is another company of the Aurora brothers, but is not involved in any way, as a tenant or otherwise, with the Company), Grafco International Laminating Corp. (another company of the Aurora brothers), and E & M Laminating Limited (again, another company of the Aurora brothers). These transactions, unrelated to the Company, are approximately $200,000 each month;

(b) The April, 2023 transactions are no longer being effected by cheques, so that I cannot see where the money is going out to, or coming from. However, there remain significant e-transfers to and from the Bank Account, although I still cannot tell who is making the deposits, and where the withdrawals are going;

(c) Rent from the two tenants, Mirion Technologies and Stone Quartz, continues to be deposited into the Bank Accounts, and mortgage payments to the CWB continue to be withdrawn;

(d) There does not appear to be any rent being deposited from the law firm tenants; and

(e) No rent is being deposited in the Bank Account pursuant to the lease between the Aurora Hotel Group and the Company.

Continuing OBCA Defaults

7. There has been no shareholders meeting or annual general meeting of the Company.

8. There has been no board meeting of the Company.

9. To my knowledge, no tax returns have been prepared, nor have any tax remittances been paid by the Company.

10. To my knowledge, no HST returns have been submitted, nor HST been remitted by the Company.

Continuing Default of the CWB Mortgage

11. Although the CWB Mortgage continues to be paid from the Bank Account, the reporting of the Aurora Hotel Group and the Company has continued. I believe that both of these defaults remain unremedied.

12. No financial statements for the Company have been provided to me, although I have asked all the Aurora brothers for these financial statements. I have a real concern and fear that if financial statements have been prepared by Shawn Aurora, or even from

an outside accounting firm with "Notice To Reader" statements, that these statements would materially misrepresent the true financial status of the Company to the CWB.

13. I have been in contact with the CWB representative, Ani Modi, on January 20, 2023, after I inquired whether the defaults of the Aurora Hotel Group and the Company had been remedied. I received the reply from Mr. Modi:

> *Hi Jay*
>
> *We are still waiting for info for renewal / extension of mortgage.*
>
> *The team will decide based on status of info.*

A true copy of my text message exchange with Mr. Modi on January 20, 2023 is attached to my affidavit as **Exhibit "CC".**

14. At the beginning of March 2023, the CWB Mortgage went into special loans, and I was invited through an email to participate in a telephone call with Tyson Hartwell, Assistant Vice President, Special Asset Management:

> *Hello Mr. Khanna,*
>
> *I am not sure if your partners have shared with you, yet the management of this file has been transferred to myself. I was hoping we could connect on a call either tomorrow morning or Monday morning.*
>
> *Please let me know, and if there is preferential time for you.*
>
> *We look forward to visiting with you.*

A true copy of Mr. Hartwell's March 9, 2023 email to me is attached to this supplementary affidavit as **Exhibit "DD"**.

15. On March 8, 2023, the day before I received the email from Mr. Hartwell, my solicitors received an email from Mr. Rahul Shastri, counsel for the Aurora brothers and the Aurora Hotel Group, which – rather surprisingly (and erroneously) – accused me and my holding companies of failing to fulfill the reporting requirements to the CWB – as if the problems of the Company and the Aurora Hotel Group and the CWB reporting was somehow my fault, or "my problem".

16. The solicitors acting for me and for my two companies in the Barrie Hotel Action, responded as follows:

> *Thank you for the opportunity to address these issues.*
>
> *Caution*
>
> *First, our client is obligated under the Land Titles Act to deliver a copy of the registered Caution to all parties with a registered interest in the property at 20 Caldari, which includes Canadian Western Bank ("CWB"). In short, CWB received a copy of the Caution directly from Foglers.*
>
> *Second, the shareholder dispute and oppression remedy application, which our client has commenced, is a material change in the affairs of the registered owner. This requires the borrower and the guarantors to advise CWB of the same, whether there is a Caution registered or not.*
>
> *Third, we allowed the Caution to expire. A discharge would indicate that the issues in the shareholder dispute and our client's application had been resolved, which they are not. In short, it is entirely appropriate in such case to allow the expiry of the Caution rather than a discharge.*
>
> *Deficiency in Financial Reporting*
>
> *Our client complied with the financial reporting to the CWB five (5) months ago.*
>
> *Your client acknowledged in writing to the CWB that it was in default in delivery of the financial statements of 20 Caldari Road Inc. and the Aurora Hotel Group back on August 26, 2022. It remained in default of the reporting requirements*

throughout 2022. This is one of the enumerated grounds for the shareholder oppression which our client commenced in November 2022.

If there are any financial statements in respect of the registered owner, 20 Caldari Road Inc., our client is unaware that any financial statements had been done; which is yet another ground in our client's oppression remedy application.

We are concerned, if the financial statements of 20 Caldari have been done without notice to, or approval of, the shareholders, that this is another ground for our client's oppression remedy. There is an over-arching concern that any financial statements would not be accurate and materially misrepresent the financial position of the borrower to the CWB. Again, the oppression application requires audited financial statements pursuant to the OBCA.

In short, our client is in compliance with his financial reporting to the CWB. The CWB has advised our client on numerous occasions that your clients, and in particular the Aurora Hotel Group, are in default and have been so for an extended period of time, now exceeding 6 months.

Unpaid Taxes

Your clients, who are in control of the finances and bank account of 20 Caldari Road Inc., are in default of paying property taxes on the property for 2022. There is more than $80,000 of outstanding property taxes for 2022; and to date with installments in 2023, the outstanding taxes are approaching $100,000. This is another ground for the oppression remedy application our client has initiated.

Receivership

AHG's failure to provide financial information and financial statements to the CWB - has placed it into default on additional properties that the AHG owns or is also a guarantor upon. This has been the situation of default for AHG for more than 6 months, and the reason that the mortgage at 20 Caldari, and other mortgages have been placed at special loans at the CWB.

It has nothing whatsoever to do with our client or its financial reporting on Caldari, which has been complied with.

We have no issue with a receivership of 20 Caldari Road and the sale of the property by the CWB. This is one of the grounds of relief sought in our client's oppression remedy application. As set out in the Notice of Application, a sale of the property which is the principal asset of 20 Caldari Inc. necessitates a wind-up of that company, under the OBCA.

We reserve our client's rights to request from the court leave to issue a derivative action by 20 Caldari Developments Inc. to collect the unpaid rent, for its default in

> *compliance as a guarantor and other damages as against the Aurora Hotel Group.*

A true copy of Mr. Shastri's email, dated March 8, 2023, and Fogler, Rubinoff's email dated March 9, 2023, in response, is attached to my affidavit as **Exhibit "EE"**.

17. On March 10, 2023, I met virtually with Mr. Hartwell and his colleague, Raymond Pai, Manager, Credit, Special Asset Management Unit, where it was confirmed to me that the Aurora Hotel Group and the Company had still not complied with their reporting requirements to the CWB. I was further advised that the CWB was aware of the shareholder oppression application, and that all further communications with the CWB would be through Mr. Hartwell and Mr. Pai.

18. On March 15, 2023, I and the three Aurora brothers, received an email from Mr. Hartwell, as follows:

> *Further to our recent communications, the mortgage matured on February 20, 2023, as well as the shareholder dispute is a default under the Bank's loan/security agreements. The Bank is prepared to provide a 90-day extension to the mortgage (subject to the Bank's final approval) while we obtain the outstanding reporting items and the shareholder dispute is addressed satisfactorily to the Bank's sole discretion.*
>
> *The interest rate on the mortgage will be amended to CWB Prime Rate ("Prime") + 3.00%, and an extension fee of $10,000 will be applicable. Prime as at the date of this email is 6.70%.*
>
> *Please acknowledge and confirm the aforementioned is agreed upon by no later than NOON (12:00 PM MST) March 17, 2023. We will seek final approval once received and forward the required documentation.*

A true copy of Mr. Hartwell's March 15, 2023 email is attached to this supplementary affidavit as **Exhibit "FF"**.

19. The Statement of Claim in the Barrie Hotel Action, together with a Motion Record seeking to register a Certificate of Pending Litigation against the Barrie hotel property, together with the Barrie Hotel Action and the Notice of Application in this proceeding, were all served upon the Aurora brothers on January 6, 2023. The motion for the CPL was returnable on January 31, 2023.

20. On January 24, 2023, Mr. Rahul Shastri advised my solicitors that he was acting for the Defendants in the Barrie Hotel Action, and a consent Order was agreed to whereby the Defendants undertook to the Court not to sell, transfer, option, further encumber, pledge as security or collateral, or otherwise dispose of (i) the Barrie hotel property or (ii) the shares of 2782736 Ontario Inc., the registered owner of the Barrie hotel property. A true copy of the consent Order dated January 31. 2023, in the Barrie Hotel Action, is attached to my affidavit as **Exhibit "GG"**.

21. Shortly after this, I was in communication with Mr. Ben Williams of Colliers, in February 2022, who had sent me a Market Update for recent sales of commercial property, and he advised at that time that the commercial real estate market indicated a value of $425 psf, which placed the value of the building on the Caldari Property at $13,387,000 – excluding the extra land that is part of the property available for further development, which was valued at approximately $1.5 million – for a total value of the Caldari Property of $14,805,000 in February 2022. I have continued to be in touch with Mr. Ben Williams, and he has advised me several times since then that the market remains strong, and is still rising. A true copy of the Market Update sent to me by Ben Williams of Colliers is attached to my affidavit as **Exhibit "HH"**.

22. As I continued to suspect that payments were being made from the Bank Account to Countertop Solutions Around to finance renovation or operational costs at 20 Regina Road, Concord (another property owned by the Aurora brother), I instructed my solicitors to conduct a title search of this property, a true copy of which is attached to my affidavit as **Exhibit "II".**

23. The title search for the 20 Regina Road property revealed that the property is owned by a numbered company, 1000093910 Ontario Inc., which purchased the property on April 24, 2022 for $24,710,000 and which had a first mortgage registered in the amount of 19,000,000 in favor of a company called Peakhill Capital Inc.

24. My solicitors as performed a corporate search of 1000093910 Ontario Inc., which revealed that the registered head office of this company was 20 Caldari, and that the sole director and officer was Ravi Aurora. I have never heard of this numbered company before, and I am not aware that it is operating out of 20 Caldari. A true copy of the corporate profile report for 1000093910 Ontario Inc. is attached to my affidavit as **Exhibit "JJ"**.

MEDIATION

25. With respect to this oppression application, I agreed to partake in a mediation with the Aurora brothers, which took place on April 4 and 6, 2023 with Mr. Gavin McKenzie, Q.C., CSM, acting as mediator, but no resolution was achieved.

26. The day prior to the conduct of the mediation, I, and the Aurora brothers, received an Amending Letter from the CWB reflecting the terms of Mr. Hartwell's

March 15, 2023 email. Mr. Hartwell requested the Amending Letter be executed immediately by April 5, 2023. A true copy of Mr. Harwell's April 3rd email is attached to this supplementary affidavit as **Exhibit "KK"**.

27. On April 5, 2023, Mr. Harwell advised that the CWB "*anticipated the dated and signed document returned [on April 5, 2023]*" and that "*if this [did] not occur [the CWB would] need to take the appropriate action*". The Aurora brothers and I executed the Amending Letter on April 5, 2023, after Mr. Hartwell pressed us to do so. A true copy of Mr. Hartwell's April 5th email, and the executed Amending Agreement, is attached to this supplementary affidavit as **Exhibit "LL"**

28. To demonstrate my good faith, as I was in the middle of the mediation process, I executed the Amending Agreement with the CWB for an interim extension of the CWB Mortgage, at an increased interest rate to June 30, 2023.

29. As of the date of this affidavit, I believe that the financial reporting requirements of the Aurora Hotel Group and the Company remain in default with the CWB; the shareholder oppression application has not been resolved to the satisfaction of the CWB – or resolved at all; and I believe that the Company is in monetary default for not paying the increased mortgage payment for April, 2023; and the renewal fee has not been paid. No financial statement of the Company has been circulated to me, and I do not know if they have been done. The property taxes of the Caldari Property in excess of $100,000 are still not paid. In light of the foregoing facts, I still seek the relief set out in the Notice of Application, including (i) the appointment of a Receiver with respect to

the Caldari Property; and (ii) a Receiver for the Company to address issues of sale, financial reports, tax filings and remittances, with a view of effecting a wind-up of the Company.

30. I make this supplementary affidavit in further support of the relief sought in the Notice of Application, issued December 22, 2022 in this proceeding.

SWORN by Jay Khanna at the City of Mississauga, in the Province of Ontario, before me on May 19, 2023 in accordance with O.Reg. 431/20, Administering Oath or Declaration Remotely

Commissioner for Taking Affidavits
(or as may be)

MARKO PETROVIC (#77778F)

JAY KHANNA

This is Exhibit "J" referred to in the
AFFIDAVIT OF TYSON HARTWELL
SWORN BEFORE ME by videoconference
at the City of Toronto, in the Province of
Ontario, on this 19th day of October, 2023.

____
Commissioner for Taking Affidavits (or as may be)

Final 2023 Duplicate

Billing Date: 2023-09-22
Customer No: R6FV6KTY

20 CALDARI DEVELOPMENT INC.
20 CALDARI RD, UNIT 2
VAUGHAN ON L4K 4N8

Roll No: 1928 000 232 61900 0000
Location: 20 CALDARI RD
Legal Dscr: PL 65M2681 LT 1

Assessment		City Levy		Region Levy		Education Levy	
Tax Class	Assessment	Rate (%)	Amount	Rate (%)	Amount	Rate (%)	Amount
IU	291,600	0.206354	601.73	0.372645	1,086.63	0.880000	2,566.08
IT	4,080,400	0.317468	12,953.96	0.573299	23,392.89	0.880000	35,907.52
Total	**$ 4,372,000**	**City**	**$ 13,555.69**	**Region**	**$ 24,479.52**	**Education**	**$ 38,473.60**

Account Summary (As of Jun 12, 2023)	
Overdue	127,523.65
Future Due	38,898.81
Account Balance	**$ 166,422.46**

Summary	
Final 2023 Levies	$ 76,508.81
Final 2023 Taxes	$ 76,508.81
Less Interim Billing	37,610.00
Plus Overdue	127,523.65
Total Amount Due	**$ 166,422.46**

OVERDUE TAXES, IF APPLICABLE, ARE INCLUDED IN YOUR FIRST INSTALMENT. Late payment charges are applied to overdue taxes at a rate of 1.25% on the day after the due date and on the first day of each month until paid. The City has no authority to waive or alter late payment charges.

The future due amount indicated in your Account Summary also includes any future instalment(s) from previous billings.

Instalment Due Dates	**Amount**
Jul 27, 2023	**140,490.46**
Aug 28, 2023	**12,966.00**
Sep 28, 2023	**12,966.00**

Explanation of Multi-Res, Commercial and Industrial Property Tax Calculations

2023 CVA Taxes
*2022 Annualized Taxes
2023 Tax Cap Amount
2023 Prov. Education Levy Change
2023 Municipal Levy Change

***2023 Adjusted Taxes

NOT APPLICABLE

* An annualized tax figure is used in this analysis to compensate for mid-year adjustments in tax treatment or assessment value. If a property did not have any mid-year adjustments, the annualized taxes should equal to the final 2022 levies listed above.
** Final levy amount applies only to the property or portion(s) of property referred to in this notice and may not include some special charges and credit amounts.
*** Adjusted tax amount applies only to the property or portion(s) of property referred to in this notice and may not include some special charges and credit amounts or levies that are not part of the capping calculation.

Tax Roll Number
1928 000 232 61900 0000
20 CALDARI DEVELOPMENT INC.

Date Due Jul 27, 2023
Amount Due $ 140,490.46

Tax Roll Number
1928 000 232 61900 0000
20 CALDARI DEVELOPMENT INC.

Date Due
Jul 27, 2023
Amount Due
$ 140,490.46
88

02307270140490463192800023261900000 2

Tax Roll Number
1928 000 232 61900 0000
20 CALDARI DEVELOPMENT INC.

Date Due Aug 28, 2023
Amount Due $ 12,966.00

Tax Roll Number
1928 000 232 61900 0000
20 CALDARI DEVELOPMENT INC.

Date Due
Aug 28, 2023
Amount Due
$ 12,966.00

62308280012966003192800023261900000 2

Tax Roll Number
1928 000 232 61900 0000
20 CALDARI DEVELOPMENT INC.

Date Due Sep 28, 2023
Amount Due $ 12,966.00

Tax Roll Number
1928 000 232 61900 0000
20 CALDARI DEVELOPMENT INC.

Date Due
Sep 28, 2023
Amount Due
$ 12,966.00

42309280012966003192800023261900000 2

This is Exhibit “K” referred to in the
AFFIDAVIT OF TYSON HARTWELL
SWORN BEFORE ME by videoconference
at the City of Toronto, in the Province of
Ontario, on this 19th day of October, 2023.

____
Commissioner for Taking Affidavits (or as may be)

CWB Financial Group

March 31, 2023

20 Caldari Development Inc.
20 Caldari Road
Vaughan, Ontario
L4K 4N8

Attention: Akash Aurora, Ravi Aurora, Nakul Aurora, Jay Khanna

Re: First Amendment to the Commitment Letter (Original Agreement) dated August 26, 2021 from Canadian Western Bank (the "Bank") to 20 Caldari Development Inc. (the "Borrower")

The Bank has authorized the following amendments to the Original Agreement:

1. **Interest Rate:**

Section 3 of the Original Agreement shall be amended by replacing with the following:

3.1 Loan Segment (1): Interest to float at a rate of 3.00% per annum above the Bank's Prime Lending Rate ("Prime"), effective as at March 15, 2023. As of the date of this amendment, Prime is 6.70% per annum.

Unless otherwise specified, all interest shall be payable without demand on the dates specified by the Bank and shall be calculated daily, compounded monthly. Overdue interest shall bear interest at the same rate.

2. **Repayment:**

Section 6 of the Original Agreement shall be amended by replacing with the following:

6.1 Loan Segment (1): To reduce by equal blended monthly payments. Payments are based on an amortization of approximately 284 months. The Loan shall be fully repaid on or before June 30, 2023.

6.2 Loan Segment (2): The Loan shall be fully repaid on or before June 30, 2023.

For any DNR loan advanced on a floating rate basis with blended monthly payments the Bank will have the discretion to vary the amount of the required monthly instalments each calendar quarter to reflect changes in Prime.

3. **Fee:**

The Borrower will pay to the Bank $10,000 at the time of acceptance of this amendment agreement. Such sum will be the property of the Bank as consideration for its time, effort and expense incurred in the review of documents and financial statements, and the Borrower acknowledges and agrees that determination of such costs is not feasible and the aforementioned sum represents a reasonable estimate thereof.

4191 **Security:**

Schedule "A" of the Original Agreement shall be amended by adding the following:

14. Demand Note in the amount outstanding of Loan Segment (1).

5. **Continuation of Original Agreement:**

The Borrower and the Guarantors hereby acknowledge and confirm that except as expressly amended herein, the Original Agreement and all of the terms and conditions therein shall continue to be in full force with respect to the loan.

Yours truly,
CANADIAN WESTERN BANK

Raymond Pai
Manager Credit, Special Asset Management

Tyson Hartwell
AVP, Special Asset Management

192

BORROWER: 20 Caldari Development Inc.

Signed ______________________

Signed ______________________

Accepted 04/05/2023
Date

GUARANTORS:

We/I acknowledge receiving advice of the Agreement described above and agree our/my guarantee is binding even if the Bank changes or waives compliance with the terms of this Agreement.

Aurora Hotel Group Inc.

Signed ______________________ Accepted 04/05/2023
Date

J.I.S Contract Furniture Inc.

Signed ______________________ Accepted 04/05/2023
Date

2107307 Ontario Inc.

Signed ______________________ Accepted 04/05/2023
Date

Nakul Aurora

Signed ______________________ Accepted 04/05/2023
Date

Akash Aurora

Signed ______________________ Accepted 04/05/2023
Date

Jay Khanna

Signed ______________________ Accepted 04/05/2023
Date

This is Exhibit “L” referred to in the
AFFIDAVIT OF TYSON HARTWELL
SWORN BEFORE ME by videoconference
at the City of Toronto, in the Province of
Ontario, on this 19th day of October, 2023.

Commissioner for Taking Affidavits (or as may be)

DICKINSON WRIGHT LLP

199 BAY STREET, SUITE 2200
P.O. BOX 447, COMMERCE COURT POSTAL STATION
TORONTO, ON CANADA M5L 1G4
TELEPHONE: 416-777-0101
FACSIMILE: 844-670-6009
http://www.dickinsonwright.com

LISA S. CORNE
LCorne@dickinson-wright.com
416-646-4608

June 30, 2023

20 Caldari Development Inc.
- and -
Nakal Aurora
- and -
Akash Aurora
- and -
Jay Khanna
- and -
Aurora Hotel Group Inc.
- and -
JIS Contract Furniture Inc.
- and -
2107307 Ontario Inc.

Suite 101
2000 Argentia Road
Plaza 1
Mississauga, Ontario,
L5N 1P7

Attention: Akash Aurora

Re: Canadian Western Bank Mortgage with Respect to 20 Caldari Road, Vaughan, Ontario, L4K 4N8 (the "Property") - Termination of Financial Services

Our file no.: 72827-26

Dear Mr. Aurora,

We act as counsel to Canadian Western Bank ("**CWB**") and are contacting you on its behalf.

CWB periodically conducts a review of all client relationships. As a result of this review, CWB has determined that it can no longer continue to support your current accounts and/or services, or offer you any new accounts and/or services. CWB considered this matter very carefully and assures you that its decision was not arrived at lightly.

1. Schedule A of this letter includes a list of your accounts and/or services. Schedule B of this letter sets out the actions required on your part with respect to the accounts and services at CWB that will be discontinued.

2. Please make alternative arrangements for all accounts and services you have with CWB in accordance with the terms described in this letter.

3. If you do not or are not able to complete the actions required by the applicable date indicated in Schedule A, CWB will take the necessary steps outlined in Schedule B of this letter.

In connection with the foregoing, please find enclosed a Notice of Intention to Enforce Security addressed to each of the addressees named herein.

If you have any questions regarding this notice, or if you have any questions about how to close your accounts or end services or any other actions required, please contact me.

Yours truly,

Lisa S. Corne

Encl.

SCHEDULE A
LIST OF ACCOUNTS AND SERVICES

Account	Account#	Repayment Date
Demand Non-Revolving Business Mortgage Loan	101013932108	September 28, 2023
Business Advantage Account	101014353737	September 28, 2023

SCHEDULE B
ACTION REQUIRED

A. CWB Deposit Accounts

We are giving you notice that we will be closing your accounts listed above in the List of Accounts and Services on the closure date indicated in Schedule A unless you have made other arrangements to close the account(s) before that date. Should you not make arrangements for the transfer of your account(s) to another financial institution prior to that date, CWB will, without further notice, mail you a bank draft for the balance in your account(s), less any applicable fees, service charges and/or outstanding debts owed to CWB.

B. CWB Business Mortgage Loan

We are giving you notice that, in accordance with the terms of the mortgage indicated in Schedule A (the "**Mortgage**"), we are hereby demanding full payment of the principal sum and all interest due thereunder.

We require the full amount owing by you under the Mortgage as of the Repayment Date indicated in Schedule A, plus any accrued interest, to be repaid on the Repayment Date indicated in Schedule ASchedule A, failing which we will evaluate whether to proceed with legal action to recover the outstanding balance. Payment must be made by cash, drafts, and/or certified cheques at your nearest branch.

In addition, we require that monthly payments owing under the Mortgage prior to the Repayment Date continue to be paid. In the event of a default of any such payments, we reserve the right to accelerate the Repayment Date and demand immediate re-payment.

4890-5469-8349 v1 [72827-26]

This is Exhibit “M” referred to in the
AFFIDAVIT OF TYSON HARTWELL
SWORN BEFORE ME by videoconference
at the City of Toronto, in the Province of
Ontario, on this 19th day of October, 2023.

Commissioner for Taking Affidavits (or as may be)

DICKINSON WRIGHT LLP

199 Bay Street, Suite 2200
P.O. Box 447, Commerce Court Postal Station
Toronto, ON Canada M5L 1G4
Telephone: 416-777-0101
Facsimile: 844-670-6009
http://www.dickinsonwright.com

Lisa S. Corne
LCorne@dickinson-wright.com
416-646-4608

September 29, 2023

20 Caldari Development Inc.

20 Caldari Road
Vaughan, Ontario,
L4K 4N8

Attention: Akash Aurora

Re: Canadian Western Bank Mortgage with Respect to 20 Caldari Road, Vaughan, Ontario, L4K 4N8 (the "Property") - Termination of Financial Services

Our file no.: 72827-26

Dear Mr. Aurora,

We act as solicitors for Canadian Western Bank ("**CWB**"). We refer to the following:

1. Commitment Letter dated August 26, 2021 among 20 Caldari Development Inc. (the "**Borrower**"), as borrower, CWB, as lender, and Nakul Aurora, Akash Aurora, Jay Khanna, Aurora Hotel Group Inc., JIS Contract Furniture Inc., and 2107307 Ontario Inc., as guarantors (the "**Commitment**");

2. General Security Agreement granted by the Borrower in favour of CWB, registered on November 24, 2021;

3. Charge/Mortgage in the principal amount of $13,120,000 granted by the Borrower in favour of CWB and registered as Instrument No. YR3344879 on November 23, 2021, on title to the Property; and

4. Notice of Assignment of Rents-General granted by the Borrower in favour of CWB registered as Instrument No. YR3344880 on November 23, 2021, on title to the Property.

Pursuant to the Commitment, you are indebted to CWB in the principal amount of $8,431,306.98 as at September 28, 2023, plus interest accruing thereon at a per diem rate of $2,349.86, and enforcement costs and other costs and expenses.

On behalf of CWB, we hereby make formal demand for payment by you of the indebtedness owing by you to CWB in your capacity as borrower under the Commitment in the principal amount of $8,431,306.98 as at September 28, 2023, together with all interest accrued thereon, plus costs, solicitors' fees and expenses which may be incurred by CWB in connection with the recovery of the indebtedness owing by you to it. Interest will continue to accrue until payment is received.

We enclose a Notice of Intention to Enforce Security delivered pursuant to Section 244 of the *Bankruptcy and Insolvency Act*. Please acknowledge your receipt of this letter and the enclosure by signing the acknowledgment and consent enclosed and return the same to the undersigned.

Yours truly,

Lisa S. Corne

Encl.

NOTICE OF INTENTION TO ENFORCE SECURITY

Subsection 244(1) of the
***Bankruptcy and Insolvency Act* (Canada)**

To: **20 Caldari Development Inc.**, an insolvent person (the "**Debtor**")

TAKE NOTE THAT:

1. The Canadian Western Bank (the "**Bank**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:

   All of the Debtor's present and after-acquired personal property (other than consumer goods) and real property of whatever kind and wherever situate.

2. The security that is to be enforced is in the form of:

   (a) a General Security Agreement granted by the Debtor in favour of the Bank, registered on November 24, 2021;

   (b) a Charge/Mortgage in the principal amount of $13,120,000 granted by the Borrower in favour of the Bank and registered as Instrument No. YR3344879 on November 23, 2021, on title to the property municipally known as 20 Caldari Road, Vaughan, Ontario, L4K 4N8 (the "**Property**"); and

   (c) a Notice of Assignment of Rents-General granted by the Borrower in favour of CWB registered as Instrument No. YR3344880 on November 23, 2021, on title to the Property.

   (collectively, the "**Security**")

3. As of September 28, 2023, the total amount of indebtedness secured by the Security is CAD $8,431,306.98, plus interest accruing thereon at a per diem rate of $2,349.86, and enforcement costs and other costs and expenses.

4. The Bank will not have the right to enforce the Security until after the expiry of the ten-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement, by executing the consent and waiver attached hereto as Schedule A and providing a copy to the undersigned.

DATED at Toronto, Ontario this 29th day of September, 2023.

DICKINSON WRIGHT LLP
solicitors on behalf of the Bank

Per: ________________________
Lisa S. Corne

SCHEDULE A
CONSENT AND WAIVER

To: **Canadian Western Bank** (the "**Bank**")

TAKE NOTE THAT:

1. The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated September 29, 2023 pursuant to Section 244 of the Bankruptcy and Insolvency Act (Canada) with respect to the assets of the undersigned, waives its right to the ten-day notice period and to redeem the collateral, and consents to the immediate enforcement of the security held by the Bank.

2. The undersigned hereby acknowledges its inability to make payment of the amount of its liabilities to the Bank, and hereby consents to the immediate enforcement of the Security granted by it to the Bank by any means deemed appropriate, including the appointment either privately or by application to the court at the option of the Bank, of an interim receiver, receiver, or receiver and manager of its property, assets, and undertakings.

3. The undersigned hereby acknowledges and confirms that it has sought the advice and recommendations of its professional advisors to the extent it deems appropriate in connection with the execution of this Consent and Waiver and is executing this Consent and Waiver freely, voluntarily, and without any duress.

DATED at Toronto, Ontario this _____ day of ________, 2023.

20 CALDARI DEVELOPMENT INC.

Per: _______________________

CANDIAN WESTERN BANK
Applicant

-and-

20 CALDARI DEVELOPMENT INC.
Respondent

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
BRAMPTON

AFFIDAVIT

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, Box 447
Commerce Court Postal Station
Toronto, ON M5L 1G4

LISA S. CORNE (27974M)
Tel: 416-777-0101
Fax: 1-844-670-6009

Lawyers for the Applicant

Tab 3

Court File No.

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

B E T W E E N:

CANADIAN WESTERN BANK

Applicant

and

20 CALDARI DEVELOPMENT INC.

Respondent

CONSENT

Ernst & Young Inc. consents to act as Court-appointed receiver and manager of the assets, properties, and undertakings of 20 Caldari Development Inc. in accordance with the terms of the attached draft Order, if so appointed by this Honourable Court.

Dated at Toronto this 14th day of November, 2023.

ERNST & YOUNG INC.

Per: ________________________________

Name: AllenYao
Title: Senior Vice President

CANADIAN WESTERN BANK -and- **20 CALDERI DEVEOLPMENT INC.**
Applicant Respondent

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
BRAMPTON

CONSENT

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, Box 447
Commerce Court Postal Station
Toronto, ON M5L 1G4

LISA S. CORNE (27974M)
Tel: 416-777-0101
Email: lcorne@dickinsonwright.com
Fax: 1-844-670-6009

Lawyers for the Applicant

Tab 4

Court File No. CV-23-00004340-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	TUESDAY, THE 5th
	)	
JUSTICE	)	DAY OF DECEMBER, 2023

IN THE MATTER OF 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

B E T W E E N:

CANADIAN WESTERN BANK

Applicant

\- and -

20 CALDARI DEVELOPMENT INC.

Respondent

O R D E R

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 Ernst & Young Inc., as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 20 Caldari Development Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard on December 5, 2023, via judicial videoconference, at 7755 Hurontario Street, Brampton, Ontario.

ON READING the affidavit of Tyson Hartwell sworn October 19, 2023 and the Exhibits thereto, the consent of Ernst & Young Inc. to act as the Receiver, and on hearing the submissions of counsel for the Applicant, Canadian Western Bank, and counsel for the Respondent, no one else appearing, although served, as appears from the affidavit of service dated November 21, 2023 filed,

APPOINTMENT

1. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Ernst & Young 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").

RECEIVER'S POWERS

2. 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 construction managers, project managers, contractors, subcontractors, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, property 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 \$150,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; 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.

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. 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.

4. THIS COURT ORDERS that all Persons including, without limitation, Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., and each of them 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.

5. THIS COURT ORDERS that all Persons, including, without limitation, Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., and each of them shall be required to cooperate and share information with the Receiver in connection with all books and records, contracts, agreements, permits, licences and insurance policies and other documents in respect of the Debtor and/or the Property. In addition to the foregoing general cooperation and information sharing requirements, Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., shall be required to do the following things: (a) in respect of any and all such contracts, agreements, permits, licences and insurance policies and other documents

(1) maintain them in good standing and provide immediate notice and copies to the Receiver of any communications received from regulators or providers in respect thereof; (2) provide immediate notice to the Receiver of any material change and/or pending material change to the status quo in respect thereof; and (3) provide thirty days' notice of any renewal days, termination date, election date or similar date in respect thereof; and (b) assist, and cooperate with, the Receiver in obtaining any further permits and licences that may be required.

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

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons, including without limitation Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all

material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless

otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $300,000.00 (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.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

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

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

24. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at 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 ____________________.

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

day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

26. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

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

29. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

31. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party

likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

32. THIS COURT ORDERS that notwithstanding the engagement of Dickinson Wright LLP as counsel for Canadian Western Bank, the Receiver may engage Dickinson Wright LLP as its legal counsel in respect of matters where there is no conflict of interest. The Receiver shall, however, engage independent legal counsel in respect of any matter where a conflict of interest arises.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________

AMOUNT $_____________________

1. THIS IS TO CERTIFY that Ernst & Young Inc., the receiver (the "Receiver") of the assets, undertakings and properties of 20 Caldari Development Inc. (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “Property”) appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 5th day of December, 2023 (the "Order") made in an action having Court file number CV-23-00004340-0000, has received as such please insert court file # 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 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__.

Ernst & Young Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: ____________________________________

Name: Allen Yao

Title: Senior Vice President

CANADIAN WESTERN BANK -and- 20 CALDARI DEVELOPMENT INC.
Applicant Respondent

Court File No. CV-23-00004340-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
BRAMPTON

O R D E R

DICKINSON WRIGHT LLP
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199 Bay Street
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Lawyers for the Applicant

Tab 5

Court File No. CV-23-00004340-0000
~~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~~TUESDAY, THE ~~#~~5th
	)	
JUSTICE —	)	DAY OF ~~MONTH~~DECEMBER, ~~20YR~~2023

IN THE MATTER OF 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

B E T W E E N:

~~**PLAINTIFF**[1]~~**CANADIAN WESTERN BANK**
~~Plaintiff~~

Applicant

- and -

~~**DEFENDANT**~~
20 CALDARI DEVELOPMENT INC.
~~Defendant~~

Respondent

~~**ORDER**~~
~~**(appointing Receiver)**~~

O R D E R

THIS ~~MOTION~~APPLICATION made by the ~~Plaintiff~~[2]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

~~[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".~~

section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~Ernst & Young Inc., as receiver ~~[~~and manager~~]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~20 Caldari Development Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard ~~this day at 330 University Avenue, Toronto~~on December 5, 2023, via judicial videoconference, at 7755 Hurontario Street, Brampton, Ontario.

ON READING the affidavit of ~~[NAME]~~Tyson Hartwell sworn ~~[DATE]~~October 19, 2023 and the Exhibits thereto, the consent of Ernst & Young Inc. to act as the Receiver, and on hearing the submissions of counsel for ~~[NAMES], no one~~the Applicant, Canadian Western Bank, and counsel for the Respondent, no one else appearing ~~for [NAME]~~, although ~~duly~~ served, as appears from the affidavit of service ~~of [NAME] sworn [DATE] and on reading the consent of [RECEIVER'S NAME] to act as the Receiver,~~dated November 21, 2023 filed,

~~**SERVICE**~~

~~1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated[3]so that this motion is properly returnable today and hereby dispenses with further service thereof.~~

APPOINTMENT

1. ~~2.~~ THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~Ernst & Young 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").

~~[3] If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.~~

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RECEIVER'S POWERS

2. ~~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 construction managers, project managers, contractors, subcontractors, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, property 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;

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(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 $~~________~~150,000.00, provided that the aggregate consideration for all such transactions does not exceed $~~__________~~500,000.00; 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;

~~[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.~~

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and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~[~~or section 31 of the Ontario *Mortgages Act*, as the case may be,~~]~~[5] shall not be required~~, and in each case the Ontario *Bulk Sales Act* shall not apply~~.

(l)to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m)to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n)to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o)to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(p)to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(q)to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(r)to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

[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.~~

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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

3. ~~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.

4. ~~5.~~ THIS COURT ORDERS that all Persons including, without limitation, Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., and each of them 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.

5. THIS COURT ORDERS that all Persons, including, without limitation, Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., and each of them shall be required to cooperate and share information with the Receiver in connection with all books and records, contracts, agreements, permits, licences and insurance policies and other documents

in respect of the Debtor and/or the Property. In addition to the foregoing general cooperation and information sharing requirements, Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., shall be required to do the following things: (a) in respect of any and all such contracts, agreements, permits, licences and insurance policies and other documents (1) maintain them in good standing and provide immediate notice and copies to the Receiver of any communications received from regulators or providers in respect thereof; (2) provide immediate notice to the Receiver of any material change and/or pending material change to the status quo in respect thereof; and (3) provide thirty days' notice of any renewal days, termination date, election date or similar date in respect thereof; and (b) assist, and cooperate with, the Receiver in obtaining any further permits and licences that may be required.

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

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

~~upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~

NO PROCEEDINGS AGAINST THE RECEIVER

7. ~~8.~~ THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. ~~9.~~ THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. ~~10.~~ THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10.~~11.~~ THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

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CONTINUATION OF SERVICES

11.~~12.~~ THIS COURT ORDERS that all Persons, including without limitation Akash (Shawn) Aurora, Ravi Aurora, Nakul (Nick) Aurora, and Aurora Hotel Group Inc., having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12.~~13.~~ THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13.~~14.~~ THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14.~~15.~~ THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15.~~16.~~ THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable

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

LIMITATION ON THE RECEIVER'S LIABILITY

16.~~17.~~ THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17.~~18.~~ THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's 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]~~

18.~~19.~~ THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the ~~Commercial List of the~~ Ontario Superior Court of Justice.

~~[6] Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

19.~~20.~~ THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20.~~21.~~ THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $300,000.00 (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.

21.~~22.~~ THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

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

23.~~24.~~ THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

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

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

GENERAL

26.~~27.~~ THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

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

29.~~30.~~ THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30.~~31.~~ THIS COURT ORDERS that the ~~Plaintiff~~Applicant shall have its costs of this ~~motion~~application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~Applicant's security or, if not so provided by the ~~Plaintiff's~~Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

32. THIS COURT ORDERS that notwithstanding the engagement of Dickinson Wright LLP as counsel for Canadian Western Bank, the Receiver may engage Dickinson Wright LLP as its legal counsel in respect of matters where there is no conflict of interest. The Receiver shall,

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however, engage independent legal counsel in respect of any matter where a conflict of interest arises.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________

AMOUNT $_____________________

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~Ernst & Young Inc., the receiver (the "Receiver") of the assets, undertakings and properties ~~[~~of 20 Caldari Development Inc. (the "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 ~~___~~ 5th day of ~~______~~December, ~~20__~~2023 (the "Order") made in an action having Court file number ~~__-CL-________~~CV-23-00004340-0000, has received as such please insert court file # 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__.

~~[RECEIVER'S NAME]~~Ernst & Young Inc.,
solely in its capacity
- as Receiver of the Property, and not in its personal capacity

Per: ______________________________

Name: Allen Yao
Title: Senior Vice President

CANADIAN WESTERN BANK Applicant	-and-	20 CALDARI DEVELOPMENT INC. Respondent

Court File No. CV-23-00004340-0000

ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT BRAMPTON

O R D E R

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Lawyers for the Applicant

CANDIAN WESTERN BANK
Applicant

-and-

20 CALDARI DEVELOPMENT INC.
Respondent

Court File No. CV-23-00004340-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
BRAMPTON

APPLICATION RECORD

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