

Court File No. CV-21-00664778-00CL

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

B E T W E E N:

SKYMARK FINANCE CORPORATION

Applicant

- and -

**MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD
CORPORATION**

Respondents

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

REPLY APPLICATION RECORD

July 9, 2021

CHAITONS LLP

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Toronto, Ontario M2N 7E9

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Lawyers for the Applicant

TO: SERVICE LIST

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Lawyers for Canada Revenue Agency

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS
REPRESENTED BY THE MINISTER OF FINANCE**

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INDEX**TAB DOCUMENT**

- 1. Affidavit of Paul Millar sworn July 9, 2021
- A. Budget estimate dated May 26, 2016
- B. Estimated cost to complete dated August 28, 2018
- C. Construction schedule dated December 3, 2018
- D. Construction schedule dated April 29, 2019
- E. Example of a certificate from Cohoon
- F. Agenda from November 8, 2018 meeting
- G. Letter dated March 4, 2019
- H. Email exchange dated April 29 and 30, 2019
- I. Statement of Defence and Counterclaim of Golden Miles
- J. Statements of Account for each GM Loan
- K. Letter dated May 22, 2020

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REPLY AFFIDAVIT OF PAUL MILLAR

(sworn July 9th, 2021)

I, Paul Millar, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY
AS FOLLOWS:

1. I am and have been the Chief Executive Officer of the Applicant, Skymark Finance Corporation (“**Skymark**”) since 2020 and have been a director of Skymark since 2015. As such, I have personal knowledge of the facts and matters hereinafter deposed, except where stated to be based on information and belief, in which case, I verily believe the same to be true.
2. This affidavit is sworn in response to the affidavit of Santokh Mahal sworn July 5, 2021 (the “**Santokh Affidavit**”) and further to my affidavits sworn June 24, 2021 (“**First Affidavit**”)

and June 29, 2021 (“**Second Affidavit**”). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in my First Affidavit.

3. In this affidavit, I respond to certain allegations made by Santokh in the Santokh Affidavit. The fact that I do not address other of Santokh’s allegations herein should in no way be construed as an admission or acceptance of such allegations unless expressly stated herein.

A) Mahal Loans and Delays in the Construction of the Flour Mill

4. As indicated in my First Affidavit, when Santokh first approached Slattery for a loan to purchase the Real Property, it was represented to Slattery that the construction of the flour mill would be completed on or before September 2018. The initial \$4mm loan was advanced for the purchase of the Real Property and initial construction.

5. A budget estimate provided to Skymark by Golden Miles dated May 26, 2016 provided that the total estimate for the construction of the flour mill was \$11,940,810. On that basis, in November 2016, Skymark extended the \$9.6mm loan for the construction of the flour mill on the Real Property. Attached hereto and marked as **Exhibit “A”** is a copy of the budget estimate dated May 26, 2016.

6. However, due to construction delays and increasing costs, Mahal approached Skymark for additional funds. Skymark was provided with an estimated cost to complete on August 28, 2018 that showed an additional \$3,823,019.80 was required to complete the construction of the flour mill. As a result, in September 2018, Skymark extended the \$6.4mm loan. Attached hereto and marked as **Exhibit “B”** is a copy of the estimated cost to complete dated August 28, 2018.

7. Subsequently, Skymark was provided with a construction schedule dated December 3, 2018 prepared by Vicano which showed that the construction would not be complete until May 2019. Attached hereto and marked as ^{A375} **Exhibit “C”** is a copy of the construction schedule dated December 3, 2018.

8. On April 29, 2019, Skymark was provided with another construction schedule prepared by Vicano which showed that the completion date was pushed back and construction would now be completed in June 2019. Attached hereto and marked as ^{A377} **Exhibit “D”** is a copy of the construction schedule dated April 29, 2019.

B) Vicano

9. Santokh alleges that Vicano walked away from the construction of the flour mill as a result of Skymark’s failure to pay Vicano. Skymark denies these allegations. As described below, Mahal failed to authorize Skymark to make any further payments to Vicano after November 26, 2018 as a result of deficient work, cost overruns and delays.

10. As indicated in the First Affidavit, amounts under the Mahal Loans were to be advanced in stages as construction progressed. Santosh or Vicano would provide Skymark with a copy of a payment certificate issued by J.H. Cohoon Engineering Limited (“**Cphoon**”), which acted as payment certifier for the project. Skymark would then advance payment directly to Vicano once the certificate was approved by Jesse. Attached hereto as ^{A379} **Exhibit “E”** is an example of a certificate Skymark would receive from Cohoon.

11. Starting in September 2018, Mahal became involved in a dispute with Vicano regarding cost overruns for the construction of the flour mill. On November 8, 2018, I attended a meeting at

the Real Property with Santokh and representatives from Vicano to discuss the numerous items still outstanding and to try to mediate a resolution. During this meeting, Vicano assured the parties that construction would be completed by January 2019. Attached hereto and marked as **Exhibit** ^{A383} “**F**” is the Agenda from that meeting.

12. Following the meeting, Jesse authorized Skymark to make a payment to Vicano in the amount of \$1,500,000. On November 26, 2018, Skymark made the payment in the instructed amount to Vicano. This was the last payment Skymark was authorized to make to Vicano.

13. At paragraph 21 of the Santokh Affidavit, Santokh alleges that Skymark did not advance a payment that had been certified by Cohoon in the amount of \$204,350.71 to Vicano. However, Skymark never received instructions to make this payment.

14. On March 4, 2019, Santokh sent a letter to Vicano stating that Vicano’s “grievous errors” in the planning and initial design of the flour mill have led to extensive delays and stopped work orders. Santokh also stated that “we remain willing to sit down to discuss any and all payments to Vicano, but this will require a tabulation of the errors on your part and an assessment of the cost”. Attached hereto and marked as **Exhibit** ^{A386} “**G**” is a copy of this letter dated March 4, 2019.

15. On April 29 and April 30, 2019, Peter Vicano and Michael Wright from Vicano provided a construction schedule to Jesse and Santokh, attached as **Exhibit** ^{A377} “**D**”, and requested that they provide a payment plan. Neither Jesse nor Santokh ever responded to Vicano’s requests. Attached hereto and marked as **Exhibit** ^{A388} “**H**” is a copy of this email exchange dated April 29 and 30, 2019.

16. As a result, Vicano registered the Vicano Liens and commenced an action against Golden Miles, Mahal, Skymark and KLN Holdings Inc. on May 16, 2019.

17. On June 7, 2019, Golden Miles served its statement of defence and counterclaim which provides, among other things, that Golden Miles suffered damages in the amount of \$79,200,000 as a result of Vicano's deficient work, work not performed, additional cost to complete, delay costs, ongoing financing costs, ongoing carrying costs, loss of opportunity, loss of profit and breach of contract. Attached hereto and marked as ^{A392} **Exhibit "I"** is a copy of the statement of defence and counterclaim.

18. Once the Vicano Liens were registered against the Real Property, Skymark did not make any further advances under the Mahal Loans as any such advances would lose priority to the Vicano Liens.

C) GM Loans

19. Santokh disputes the amount owing to Skymark under the GM Loans. Santokh alleges that the total amount advanced under the GM Loans was \$2,159,499.48 while Skymark claims the total amount owing is \$9,972,437.18 for principal and interest.

20. All of the advances made by Skymark under the GM Loans were made at the request of Golden Miles. The first three GM Loans were paid directly to equipment suppliers while the fourth and fifth GM Loans were paid to or on behalf of Golden Miles on the security of equipment which Golden Miles had purchased and owned and the Real Property.

21. The Statements of Account prepared by Skymark for amounts owing under each GM Loan as of June 21, 2021 are attached hereto and collectively marked as ^{A407} **Exhibit "J"**.

D) Outstanding Amounts Owed Under Mahal Loans and GM Loans

22. The dispute as to the amount owing under the Mahal Loans and GM Loans was settled when the parties entered into the Forbearance Agreement in March 2020. The Forbearance Agreement sets out the amounts owing under each loan. The amounts included in the Forbearance Agreement were determined in consultation with Jesse, who is a Chartered Professional Accountant. Jesse reviewed the numbers on behalf of Mahal and Golden Miles and agreed to them.

23. Although Jesse is not a director of Golden Miles, Jesse had authority to negotiate the terms of the Forbearance Agreement on behalf of Golden Miles, as he was the Chief Executive Officer (“CEO”) of the company. Attached hereto and marked as **Exhibit “K”** ^{A419} is a letter dated May 22, 2020, approximately two months after the Forbearance Agreement was executed, where Jesse signed a payment authorization as CEO of Golden Miles.

24. Santokh alleges that the Mahal Loans and GM Loans were to accrue interest and were only repayable when the flour mill was in full production. That is clearly false. Each Commitment Letter and HICA executed by the Debtors stipulated a term of either 1 or 2 years and required interest only payments until maturity. At no time did Skymark represent to the Debtors that monthly interest payments were not required until construction was complete.

25. Once the parties entered into the Forbearance Agreement, both Mahal and Golden Miles agreed to make principal and interest payments as provided for therein. As indicated in my First Affidavit, Golden Miles made various loan payments contemplated by the Forbearance Agreement on behalf of Mahal and Golden Miles.

26. Further, Skymark extended the Jesse Loan under the Forbearance Agreement as further funds were required to complete work on the flour mill. But for the acknowledgements, agreements, and releases provided for in the Forbearance Agreement, Skymark would not have agreed to provide the Jesse Loan to delinquent borrowers who disputed the amounts outstanding on the loans and who had commenced legal proceedings against Skymark and others.

27. At paragraphs 12 and 61 of the Santokh Affidavit, Santokh proposes to post security for the full amount claimed by Skymark. This is unacceptable. Santokh admits that Mahal and Golden Miles owe substantial amounts to Skymark under the loans. Santokh's only dispute is as to the precise amount owed to Skymark.

28. This affidavit is sworn in support of Skymark's application for the appointment of a receiver and for no other or improper purpose.

SWORN BEFORE ME VIA VIDEOCONFERENCE, the affiant being located in the Town of Dillon, in the State of Colorado, United States, and the Commissioner being located in the City of Mississauga, in the Province of Ontario, Canada on July 9, 2021, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A Commissioner, etc.

Paul Millar

**THIS IS EXHIBIT "A" TO
THE AFFIDAVIT OF PAUL MILLAR
SWORN BEFORE ME THIS 9TH
DAY OF JULY 2021**

Sen Pa

A Commissioner etc.

PRELIMINARY BUDGET ESTIMATE

GOLDEN MILES FLOUR MILL

155 Adams Blvd. Brantford ON

May 26, 2016

6 Storey Mill Tower (6 Floors):	38,196	Sq. Ft.	€ 366 . ⁰⁰
6 Storey Whole Wheat Mill Tower (3 Floors):	30,621	Sq. Ft.	
Pre Eng Packaging Building:	11,991	Sq. Ft.	
Conventional 2 Storey Office Building:	5,600	Sq. Ft.	
Cleaning Building:	12,594	Sq. Ft.	
Bakery Building:	<u>21,600</u>	Sq. Ft.	
TOTAL GFA:	<u>120,602</u>	Sq. Ft.	

The below Budget Estimate has been created referencing the current preliminary architectural drawings prepared by Vicano Construction Limited dated May 20, 2016 and SPA drawings prepared by Cohoon Engineering dated May 2016. This Budget Estimate is subject to change following code review.

1 GENERAL CONDITIONS	Subtotal:	\$622,400.00
Code consultant		
Architectural permit drawings		
Structural permit drawings		
Mechanical permit drawings (HVAC & Plumbing)		
Electrical permit drawings		
Fire protection permit drawings		
Building Permit Applications and fees		
Site Supervision		
Temporary facilities		
Health and Safety		
Garbage disposal		
Site security fencing		
2 SITE WORKS	Subtotal:	\$712,000.00
Silt fence and sediment control		
Site Prep, cut / fill		
Grading		
Site services - storm, sanitary and water		
Site electrical		
Curbs and sidewalks		
Silo pads and foundations		
Site Granulars and Asphalt		
Parking lot line painting		
Site signage		
Landscaping		
3 SIX (6) STOREY MILL TOWER	Subtotal:	\$3,819,600.00
Connect to services - Storm, sanitary and water		
Footings and foundations (Raft Slab)		
Pre-eng building - supply and erection		
Concrete slab on grade (3'-4" thick)		
Five (5) suspended slabs on steel deck (8" & 10" thick)		
Masonry stairwells (to 6th floor)		
Steel pan stairs (10)		

Misc. Metals
 Insulated metal wall panels
 Doors and hardware
 Fire protection
 Base Building Electrical
 Base Building Plumbing
 Base Building HVAC

4 SIX (6) STOREY WHOLE WHEAT MILL TOWER

***Subtotal:* \$2,755,890.00**

Connect to services - Storm, sanitary and water
 Footings and foundations
 Pre-eng building - supply and erection
 Concrete slab on grade (ground floor)
 Two (2) suspended slabs on steel deck (8" thick)
 Masonry stairwells (to 3rd floor)
 Steel pan stairs (4)
 Misc. Metals
 Insulated metal wall panels
 Doors and hardware
 Fire protection
 Base Building Electrical
 Base Building Plumbing
 Base Building HVAC

5 PACKAGING BUILDING

***Subtotal:* \$959,280.00**

Connect to services - Storm, sanitary and water
 Footings and foundations
 Pre-eng building - supply and erection
 Concrete floor slab
 Pre-finished metal liner
 Doors and hardware
 One (1) loading dock
 Fire protection
 Base Building Electrical
 Base Building Plumbing
 Base Building HVAC

6 TWO (2) STOREY CONVENTIONAL OFFICE BUILDING

***Subtotal:* \$588,000.00**

Connect to services - Storm, sanitary and water
 Footings and foundations
 Conventional steel structure
 EPDM Roof
 Concrete slab on grade at ground floor
 Suspended floor slab on metal deck at 2nd floor
 Steel studs, insulation and drywall
 Suspended ceiling
 Masonry exterior walls
 Aluminum entrance doors and windows
 H/M Doors and hardware
 Finishes - painting and flooring
 Fire protection
 Plumbing
 HVAC
 Electrical

7 CLEANING BUILDING

Connect to services - Storm, sanitary and water
 Footings and foundations
 Pre-eng building - supply and erection
 Concrete floor slab
 Conveyor pits
 Pre-finished metal liner
 Doors and hardware
 Fire protection
 Base Building Electrical
 Base Building Plumbing
 Base Building HVAC

Subtotal: **\$755,640.00**

8 BAKERY BUILDING

Connect to services - Storm, sanitary and water
 Footings and foundations
 Pre-eng building - supply and erection
 Concrete floor slab
 Simple saver ceiling system
 Insulated metal wall panels at interior perimeter walls
 Doors and hardware
 Four (4) loading docks
 Fire protection
 Base Building Electrical
 Base Building Plumbing
 Base Building HVAC

Subtotal: **\$1,728,000.00**

BUDGET ESTIMATE SUBTOTAL (EXCL. 13% HST): **\$11,940,810.00**

EXCLUDED FROM ABOVE BUDGET ESTIMATE:

- 1 Development charges
- 2 Site Plan Approval fees and deposits
- 3 Process equipment
- 4 Baking equipment
- 5 Silo supply and or install
- 6 Conveyors, material handling equipment
- 7 Raw material cleaning equipment
- 8 Rail work
- 9 Piles

**THIS IS EXHIBIT "B" TO
THE AFFIDAVIT OF PAUL MILLAR
SWORN BEFORE ME THIS 9TH
DAY OF JULY 2021**

Sen Sen

A Commissioner etc.

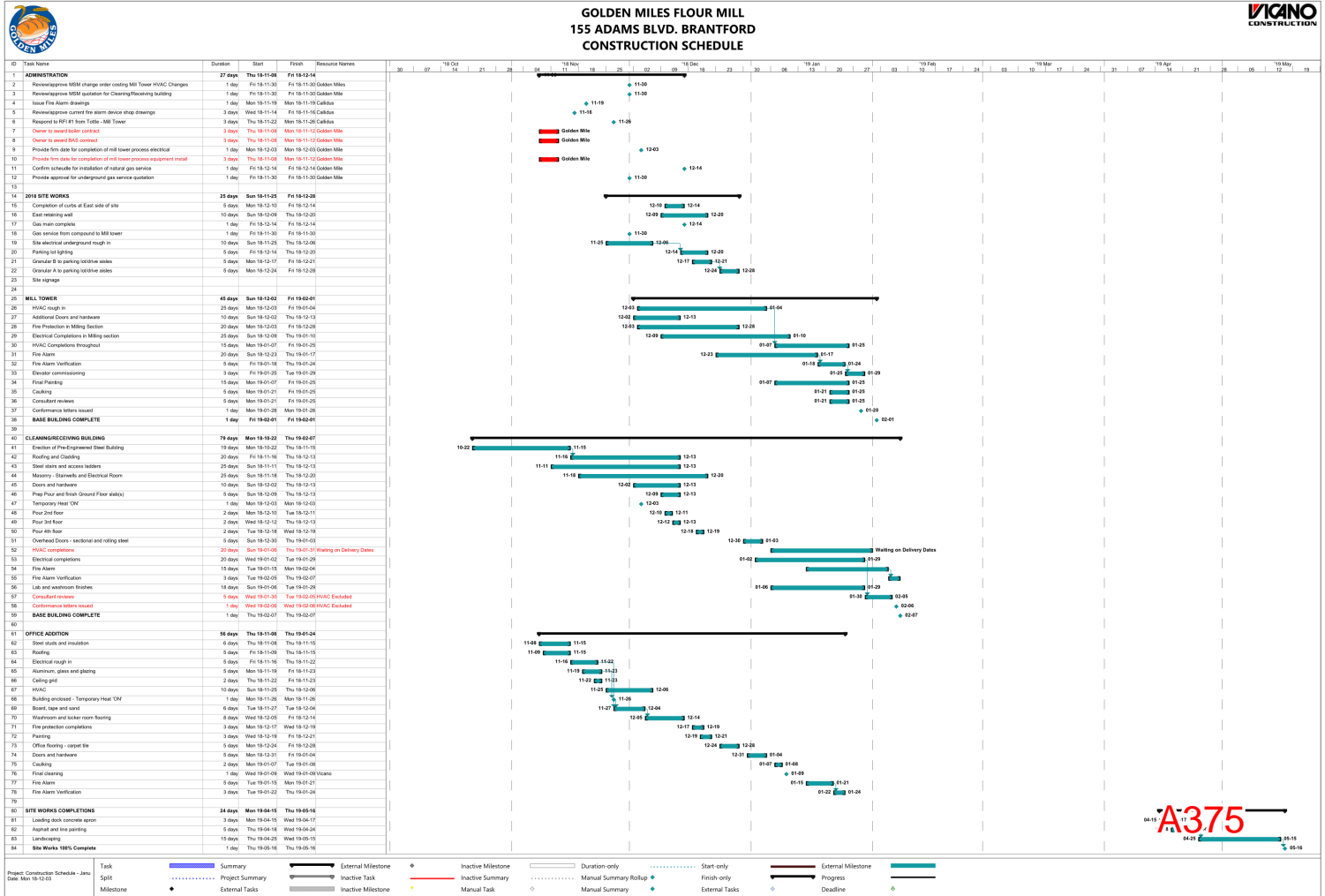
ESTIMATED COST TO COMPLETE			13
Golden Miles Flour Mill - 155 Adams Blvd, Brantford ON			
Updated: August 28, 2018			
1 CURRENT KNOWN AND ESTIMATED COSTS (Excl. HST)			
0.01	Invoiced to date (up to July 31, 2018)	\$10,286,448.16	
0.02	Anticipated August Draw (Vicano Work ONLY)	\$175,000.00	
0.03	Committed costs yet to be billed (Subcontracts)	\$1,493,368.66	
	Total invoiced and committed costs to date		\$11,954,816.82
2 WORK TO BE COMPLETED & SUBCONTRACTS TO BE AWARDED (Excl. HST)			
1 General Conditions			
0.01	Site Supervision	\$64,000.00	
0.02	Temporary facilities	\$40,000.00	
0.03	Building and site cleanup (continuous)	\$30,000.00	
2 Site Work			
0.01	Curbs	\$38,238.75	
0.02	Sidewalks	\$27,181.70	
0.03	Asphalt	\$429,331.81	
0.04	Line painting	\$1,545.00	
0.05	Site signage	\$2,317.50	
0.06	Landscaping	\$18,540.00	
0.07	Natural gas compound (details unknown)	\$50,000.00	
0.08	Sanitary sewers at receiving building	\$18,500.00	
0.09	Truck scale - Foundations	\$45,000.00	
0.10	Completion of grain elevator trench	\$40,000.00	
0.11	Loading dock storm sewer	\$12,500.00	
0.12	Loading dock pad	\$15,000.00	
Mill Tower			
0.01	Connect fire alarm to equipment suppression system	\$15,000.00	
0.02	Caulking	\$12,500.00	
0.03	Sealing around process piping	\$30,000.00	
4 Office Addition			
0.01	Floor slab	\$24,514.00	
0.02	Roof cap woodworking	\$4,995.00	
0.03	Flooring	\$35,000.00	
0.04	Painting	\$8,240.00	
0.05	H/M doors and hardware	\$10,300.00	
0.06	Aluminum, glass and glazing	\$25,750.00	
0.07	Washroom accessories	\$1,575.00	
0.08	Millwork	\$7,725.00	
0.09	Fire Alarm	\$25,000.00	
0.10	Caulking	\$2,575.00	
0.11	Spray foam insulation	\$6,250.00	
0.12	HVAC	\$35,395.00	
0.13	Plumbing	\$29,500.00	
5 Cleaning/Receiving Building			
0.01	Completion of foundations including backfill & compaction	\$75,000.00	
0.02	Floor slabs	\$55,000.00	
0.03	Hollow metal doors and hardware (16)	\$24,000.00	
0.04	Installation of H/M doors and hardware	\$4,800.00	
0.05	Building Erection	\$175,000.00	
0.06	Masonry	\$125,000.00	
0.07	Steel stairs to "basement"	\$15,000.00	
0.08	Steel stairs from "basement" to forth level	\$65,000.00	
0.09	Pour and finish all steel stairs	\$16,000.00	
0.10	Access ladders with safety cage - 4 levels	\$55,000.00	
0.11	Plumbing	\$20,000.00	
0.12	HVAC	\$15,000.00	
0.13	Electrical	\$150,000.00	
0.14	Fire Alarm	\$30,000.00	
0.15	Painting	\$25,000.00	
0.16	Caulking	\$2,500.00	
	TOTAL:		\$1,958,773.76
	10% OH&P:		\$195,877.38
	TOTAL OF ITEMS 1 & 2 - PROJECTED TOTAL COST:		\$14,109,519.14
	TOTAL INVOICED TO DATE:		\$10,286,448.16
	TOTAL COST TO COMPLETE:		\$3,823,019.80

**THIS IS EXHIBIT "C" TO
THE AFFIDAVIT OF PAUL MILLAR
SWORN BEFORE ME THIS 9TH
DAY OF JULY 2021**

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A Commissioner etc.

**GOLDEN MILES FLOUR MILL
155 ADAMS BLVD. BRANTFORD
CONSTRUCTION SCHEDULE**



**THIS IS EXHIBIT "D" TO
THE AFFIDAVIT OF PAUL MILLAR
SWORN BEFORE ME THIS 9TH
DAY OF JULY 2021**



A Commissioner etc.

ID	Task Name	Duration	Start	Finish	Resource Names
1	GOLDEN MILES FLOUR MILL COMPLETION SCHEDULE				
2	CONSTRUCTION - AS PER CURRENT SCORE OF WORK				
3	Electrical and Fire Alarm	28 days	Mon 19-05-06	Wed 19-06-12	
4	Mill Tower	11 days	Mon 19-05-06	Mon 19-05-20	
5	Compressor room	2 days	Mon 19-05-06	Tue 19-05-07	
6	Sump pump	3 days	Wed 19-05-08	Fri 19-05-10	
7	Sprinkler riser	4 days	Mon 19-05-13	Thu 19-05-16	
8	Elevator	1 day	Fri 19-05-17	Fri 19-05-17	
9	Fire Alarm Verification	1 day	Mon 19-05-20	Mon 19-05-20	
10	Receiving Building	6 days	Tue 19-05-21	Tue 19-05-28	
11	Sump Pump	3 days	Tue 19-05-21	Thu 19-05-23	
12	Seal explosion proof fitting and conduits	3 days	Fri 19-05-24	Tue 19-05-28	
13	Final inspection by Owners Consultant	1 day	Wed 19-05-29	Wed 19-05-29	Callidus
14	Completion of deficiencies	10 days	Thu 19-05-30	Wed 19-06-12	Tottle
15	Fire Protection	30 days	Mon 19-05-06	Fri 19-06-14	
16	Meet with City Inspector and Plans examiner to resolve recent comments on site	1 day	Mon 19-05-06	Mon 19-05-06	Vipond
17	Complete mill tower installation	15 days	Mon 19-05-13	Fri 19-05-31	Vipond
18	Pressure test, fill system	3 days	Mon 19-06-03	Wed 19-06-05	Vipond
19	Ready for final inspection	1 day	Thu 19-06-06	Thu 19-06-06	Vipond
20	Deficiencies (if required)	5 days	Mon 19-06-10	Fri 19-06-14	
21	Miscellaneous Metals	23 days	Mon 19-05-06	Wed 19-06-05	
22	Mill Tower Ladders at Packaging platform	6 days	Mon 19-05-06	Mon 19-05-13	MG
23	Receiving building ladders	6 days	Tue 19-05-14	Tue 19-05-21	MG
24	Misc. Railings	5 days	Wed 19-05-22	Tue 19-05-28	MG
25	Receiving building Exterior Door Jambs	6 days	Wed 19-05-29	Wed 19-06-05	MG
26	OHIS Elevator	5 days	Mon 19-06-10	Fri 19-06-14	
27	Commissioning	5 days	Mon 19-06-10	Fri 19-06-14	OHS
28	CONSULTANT SIGN OFFS AND APPROVALS				
29	Cohoon Engineering	1 day	Mon 19-05-06	Mon 19-05-06	
30	Structural Conformance Letter - Mill Tower	1 day	Mon 19-05-06	Mon 19-05-06	Cohoon
31	Structural Conformance Letter - Office	1 day	Mon 19-05-06	Mon 19-05-06	Cohoon
32	Structural Conformance Letter - Receiving Building	1 day	Mon 19-05-06	Mon 19-05-06	Cohoon
33	B.E.S.T.	1 day	Thu 19-05-30	Thu 19-05-30	
34	Base Building Mechanical and Electrical Conformance letter for Office	1 day	Thu 19-05-30	Thu 19-05-30	B.E.S.T.
35	Vipond	4 days	Fri 19-06-07	Wed 19-06-12	
36	Material Test Certificate - Office	1 day	Fri 19-06-07	Fri 19-06-07	Vipond
37	Conformance Letter - Office	1 day	Mon 19-06-10	Mon 19-06-10	Vipond
38	Material Test Certificate - Mill Tower	1 day	Tue 19-06-11	Tue 19-06-11	Vipond
39	Conformance Letter - Mill Tower	1 day	Wed 19-06-12	Wed 19-06-12	Vipond
40	Lanbark	2 days	Fri 19-06-21	Mon 19-06-24	
41	All Architectural deficiencies completed by Golden Miles	1 day	Fri 19-06-21	Fri 19-06-21	Golden Miles
42	Architectural Conformance Letter	1 day	Mon 19-06-24	Mon 19-06-24	Lanbark
43					
44	Vicano Scope of Work 100% Complete	1 day	Mon 19-06-24	Mon 19-06-24	

Project: GMRM Date: Mon 19-04-29

Task: Split Milestone

Summary: Project Summary

Manual Task: Manual Task

Inactive Milestone: Inactive Milestone

Manual Summary: Manual Summary

Duration only: Manual Summary

Manual Summary: Manual Summary

Start only: Start only

Finish only: Finish only

External Task: External Task

External Milestone: External Milestone

Progress: Progress

Manual Progress: Manual Progress

**THIS IS EXHIBIT "E" TO
THE AFFIDAVIT OF PAUL MILLAR
SWORN BEFORE ME THIS 9TH
DAY OF JULY 2021**



A Commissioner etc.



J.H. COHOON ENGINEERING LIMITED

CONSULTING ENGINEERS

440 Hardy Road, Unit #1, Brantford, ON N3T 5L8
Tel: (519) 753-2656 Fax: (519) 753-4263
www.cohooneng.com

11206

April 12, 2017

Golden Miles Bread and Bagel Corporation
6845 Second Line West
Mississauga, Ontario
L5W 1M8

Attention: Mr. S. Mahal

Re: **Progress Payment Certificate No 1**
Proposed Industrial Building Expansion
MN 155 Adams Boulevard
Brantford, Ontario

Dear Sir:

Please find enclosed a copy of invoice 26330 as prepared by Vicano Construction Limited dated December 31, 2015 in the amount of \$ 85,277.36 which does not have a holdback applied to it relating to the above noted project.

This invoice primarily relates to the work completed on this site since commencement to December 31, 2015. Our firm has reviewed the invoice, attended the above noted site and feel that the work is proceeding in accordance with the requirements of the Ontario Building Code, and drawings. This progress draw accurately represents the invoices presented by Vicano Construction Limited for work completed on the site.

Please forward payment directly to the Contractor at:

Vicano Construction Limited
225 Paris Road
Brantford, Ontario
N3R 1J2

I trust that this will meet with your approval. If any additional information or clarification is required, please do not hesitate to contact the undersigned at your earliest convenience.

Yours truly
J.H. COHOON ENGINEERING LIMITED

R. W. Phillips, P. Eng.
c/c. Mr. P. Vicano, Vicano Construction Limited



Professional Engineers
Ontario



GENERAL CONTRACTORS * CONSTRUCTION MANAGERS * PROPERTY DEVELOPERS * DESIGN / BUILDERS

Invoice

December 31, 2015

Invoice # 26330

Draw #1

Golden Miles Bread & Bagel Corporation
6845 Second Line West
Mississauga, ON L5W 1M8

HST #104160601RT0001

Attn: Mr. Santosh Mahal

Reference: CONSTRUCTION MANAGEMENT CONTRACT

155 Adams Blvd., Brantford, ON

As per our agreement, we submit this invoice (with copies of invoices attached) for work completed up till Dec 31, 2015 at the captioned location.

A SUBCONTRACTS :

1. Subcontract Amount Completed to Date.....	\$	60,000.00
2. Less Previous Billed Subcontract Amount.....	\$	-
3. Subcontract Amount this Month.....	\$	60,000.00
4. Add 10.0% Overhead & Profit for Section A.....	\$	6,000.00
TOTAL SECTION A (incl. O/H & Profit).....	\$	66,000.00

B MATERIALS/RENTALS/EQUIPMENT:

1. Misc Subcontractors: Completed to Date.....	\$	540.00
Misc Subcontractors: Less Previous Billed.....	\$	-
Misc Subcontractors: Amount this Month.....	\$	540.00
2. Materials: Completed to Date.....	\$	2,591.08
Materials: Less Previous Billed.....	\$	-
Materials: Amount this Month.....	\$	2,591.08
3. Rentals: Completed to Date.....	\$	1,175.00
Rentals: Less Previous Billed.....	\$	-
Rentals: Amount this Month.....	\$	1,175.00
4. Vicano Equipment: Completed to Date.....	\$	1,755.00
Vicano Equipment: Less Previous Billed.....	\$	-
Vicano Equipment: Amount this Month.....	\$	1,755.00
5. Total Billable Section B this Month.....	\$	6,061.08
6. Add 10% Overhead & Profit for Section B.....	\$	606.11
TOTAL SECTION B (incl. O/H & Profit).....	\$	6,667.19

C LABOUR:

1. Working Project Superintendent: Completed to Date	\$	425.00	
Working Project Superintendent: Less Previous Billed.....	\$	-	
Working Project Superintendent - 0.0 hrs @ \$80/hr.....	\$	425.00	
2. Vicano Forces - (Skilled): Completed to Date.....	\$	105.00	
Vicano Forces - (Skilled): Less Previous Billed.....	\$	-	
Vicano Forces - (Skilled) - 0.0 hrs @ \$70/hr.....	\$	105.00	
3. Vicano - (Labourers): Completed to Date.....	\$	-	
Vicano - (Labourers): Less Previous Billed.....	\$	-	
Vicano - (Labourers) - 0.0 hrs @ \$60/hr.....	\$	-	
4. Vicano Auto Cad Design: Completed to Date.....	\$	2,015.00	
Vicano Auto Cad Design: Less Previous Billed.....	\$	-	
Vicano Auto Cad Design: 0.0 hrs @ \$65/hr.....	\$	2,015.00	
5. Total Billable Section C this Month.....	\$	2,545.00	
6. Add 10% Overhead & Profit for Secion C.....	\$	254.50	
TOTAL SECTION B (incl. O/H & Profit).....	\$	2,799.50	

D FUEL CHARGE:

1. Fuel Charge Fee: Completed to Date.....	\$	-	
Fuel Charge Fee: Less Previous Billed.....	\$	-	
Fuel Charge Fee (\$ per month).....	\$	-	

E PRE CONSTRUCTION MANAGEMENT FEE:

1. Project Management Fee: Completed to Date.....	\$	-	
Project Management Fee: Less Previous Billed.....	\$	-	
Project Management Fee (\$4,000 per month).....	\$	-	

F CONSTRUCTION MANAGEMENT FEE:

1. Project Management Fee: Completed to Date.....	\$	-	
Project Management Fee: Less Previous Billed.....	\$	-	
Project Management Fee (\$8,000 per month).....	\$	-	

G POST CONSTRUCTION MANAGEMENT FEE:

1. Project Management Fee: Completed to Date.....	\$	-	
Project Management Fee: Less Previous Billed.....	\$	-	
Project Management Fee (\$4,000 per month).....	\$	-	

This Invoice (excluding HST).....	\$	75,466.69	
Plus 13% HST.....	\$	9,810.67	
This Invoice (including HST).....	\$	85,277.36	

This invoice only includes all costing received up to the date of this invoice.

**THIS IS EXHIBIT "F" TO
THE AFFIDAVIT OF PAUL MILLAR
SWORN BEFORE ME THIS 9TH
DAY OF JULY 2021**



A Commissioner etc.



Golden Miles Flour Mill – Weekly Coordination Meeting

November 8th. 2018

Attendees: Santosh Mahal – Golden Miles
 Grant Hall - Callidus
 Paul Millar – York London
 Johann Kyser – Kymar
 Barry Brown - Vicano
 Ken Black - AGH
 Jason Lucas - Vipond
 Scott Whittaker - Tottle
 Andrew Stepherson - Tottle
 Marty Middelkoop - MSM
 Michael Wright - Vicano
 Michael Zehr – Vicano

Location: 155 Adams Blvd. – Site Office Trailer

1. ELECTRICAL			
Item #	Description	Responsible	Status
1.01	Approval of fire alarm shop drawings for Mill Tower	Callidus	Incomplete
1.02	Fire alarm drawings for Office, Receiving building and Mill Tower	Callidus	Incomplete
1.03	Updated classification drawing for the Mill Tower	Callidus	Incomplete
1.04	Updated Mill Tower drawings showing Bran tower lighting, emergency lighting and new boiler room requirements	Callidus	Incomplete
1.05	Updated Mill Tower drawings showing exterior lighting	Callidus	Incomplete
1.06	Updated Receiving building drawings showing exterior lighting	Callidus	Incomplete
1.07	VFD specifications for all mechanical equipment	Callidus	Incomplete
1.08	Clarification for power feeds and distribution for the receiving building, it is understood that we are to provide an 800A feed to an 800A switch gear with both a 600A and 200A breaker for process equipment	Callidus	Incomplete
1.09	Electrical requirements and classification for Natural gas station	Callidus	Incomplete



2. HVAC			
Item #	Description	Responsible	Status
2.01	Review MSM quotation for cleaning/receiving building	Golden Miles	Incomplete
2.02	MSM and Callidus reviewed the location of a supply fan in the Mill Tower ground floor process electrical room, there isn't enough space to install the plans as per the drawings. Grant advised MSM to install the unit half inside and half outside the building – there may be additional costs to provide a weather tight enclosure around the fan	MSM	MSM to advise

3. PROCESS EQUIPMENT OWNERS SUBCONTRACTORS			
Item #	Description	Responsible	Status
3.01	Golden Miles has confirmed that the process equipment and piping installation will be sufficiently completed by December 1 st so that "Base Building" mechanical and electrical trades can complete their work within the Milling Section	Golden Miles	Record
3.02	ALL FLOOR OPENING COVERS MUST BE REPLACED FOLLOWING INSTALLATION OF PROCESS PIPING AND EQUIPMENT – MANY OPENINGS WERE FOUND TO BE UNPROTECTED DURING SITE WALK	Golden Miles	Record
3.03	Additional holes/openings in the floors and walls will be the responsibility of Golden Miles	Golden Miles	Record
3.04	Richard is to provide location and sizes for roof openings needed at dust collectors so that a price can be provided for the supply and installation of 4 galv. Roof curbs complete with required flashing/caulking	Golden Miles	Incomplete
3.05	Direction is required on location of conduit terminations that are shown going to a scale house that does not exist	Golden Miles	Incomplete

**THIS IS EXHIBIT "G" TO
THE AFFIDAVIT OF PAUL MILLAR
SWORN BEFORE ME THIS 9TH
DAY OF JULY 2021**



A Commissioner etc.

Santosh Mahal | **CEO**
26

155 Adams Blvd • Brantford Ontario
Phone: 1-905-502-8787 • Mobile: 1-905-781-0575 • E-Mail: s.mahal@goldenmilesfoods.com
Web: www.goldenmilesfoods.com

Dear Peter Vicano (Vicano Construction Limited)

Golden Mile confirms receipt of your letter dated February 27, 2019-.

As you aware and have admitted in our discussions with our project management team, consultants and financiers, Skymark Finance, grievous errors were made at inception in the planning and initial design and build by your engineers, planners and architects. These changes, including the excavation and construction of a basement level have caused a substantial increase in the cost of construction, the cost of interest carry and a delay in commissioning and production. You are well aware that your actions led to extensive delays and stop work orders by the City of Brantford. Additionally, the errors made in design have added extensively to the cost and design of fire management as stipulated in the planning with the City.

Whereas we are in receipt with time and cost estimates to correct these problems, no where have we been provided with a breakdown of the total costs associated with your design errors or any indication of any credit due Golden Mile as a result.

We have requested and been provided numerous signed estimates for completion, all of which were not adhered to. The resultant costs associated therein have not been tabulated or credited.

As to the actual construction, we have retained a firm of quantity surveyors to review the actual work on a time, materials and cost basis. We await their input.

For the past six months both Skymark and later, Fluid Construction Management have been on site following up on completion and all the requisite third party certifications with regards to completed testing & works. This list remains incomplete.

As of this date of writing, you have a skeletal staff on site and we are not in receipt of an Occupancy Certificate. We have had to retain Fluid Construction Management to complete the work that you should have done, by our estimate, months ago. We are in fact paying the sub trades directly!

As stipulated, we remain willing to sit down to discuss any and all payments to Vicano, but this will require a tabulation of the errors on your part and an assessment of the cost.

I am traveling until March 21, but can meet thereafter to resolve. I would request my team, Fluid and Skymark to attend, as they have been party to many of our previous discussions.

Yours sincerely,

Santosh Mahal



March 4, 2019

**THIS IS EXHIBIT "H" TO
THE AFFIDAVIT OF PAUL MILLAR
SWORN BEFORE ME THIS 9TH
DAY OF JULY 2021**



A Commissioner etc.

From: Peter Vicano <peter.vicano@vicano.com>
Date: April 30, 2019 at 11:08:49 EDT
To: Michael Wright <michael.wright@vicano.com>
Cc: Santosh Mahal <s.mahal@rogers.com>, jesse.mahal@goldenmilesfoods.com,
richard@cadamation.com, richard.rossetti@goldenmilesfoods.com, johann@kymar.ca,
msslattery@skylarkmortgages.ca, paul@yorklondon.com
Subject: Re: Completion Schedule - GMFM

Santosh,
Is the something you don't like in the completion schedule?
I believe it's exactly what you wanted/asked for/need.
Please let me know if there is a problem with any line item.
Thank you,

Peter Vicano

President



VICANO CONSTRUCTION LIMITED

[225 Paris Road, Brantford, ON N3R 1J2](#)

Office [\(519\) 759-4120](tel:5197594120) | Fax [\(519\) 759-6911](tel:5197596911)

Direct [\(519\) 759 1333](tel:5197591333) | [519\) 759-6911](tel:5197596911)

Email: peter.vicano@vicano.com

[website](#) | [map](#) | [twitter](#) | [facebook](#)

On Apr 30, 2019, at 5:06 PM, Michael Wright <michael.wright@vicano.com> wrote:

Hi Santosh,
Did you not receive the schedule sent out yesterday afternoon around 4pm?

Jesse/Richard - did you receive? Any comments?

We await your payment terms/plan as well as comments on the attached completion schedule.

Regards,

Sent from my iPhone

Begin forwarded message:

From: Peter Vicano <peter.vicano@vicano.com>
Date: April 30, 2019 at 10:54:56 AM EDT
To: Michael Wright <michael.wright@vicano.com>
Cc: Santosh Mahal <s.mahal@rogers.com>, "jesse.mahal@goldenmilesfoods.com" <jesse.mahal@goldenmilesfoods.com>, Michael Slattery <msslattery@skylarkmortgages.ca>, Paul Millar <paul@yorklondon.com>, Richard <richard@cadamation.com>, Johann Kyser <johann@kymar.ca>, Karen Seale <karen.seale@vicano.com>
Subject: Re: Completion Schedule - GMFM

Santosh,
It is Tuesday at about 11:00 AM.
Below and attached is the completion schedule as agreed at our meeting on Friday.
I spoke to you 10 mins. ago as I called you to inquire when we would receive a payment plan.....you said you were awaiting the completion schedule.
Well,....it was sent you.
I don't understand why you would say you are waiting g for the completion schedule.
Please check your emails.
Please get back with a payment plan.
Thank you,

Peter Vicano

President



VICANO CONSTRUCTION LIMITED

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Direct [\(519\) 759 1333](tel:5197591333) | [519\) 759-6911](tel:5197596911)

Email: peter.vicano@vicano.com

[website](#) | [map](#) | [twitter](#) | [facebook](#)

On Apr 29, 2019, at 10:08 PM, Michael Wright <michael.wright@vicano.com> wrote:

Good Afternoon all,
Please find attached completion schedule for our current scope of work including:

- 1) Base Building Electrical
- 2) Fire Protection
- 3) Misc. Metals

We await your payment plan/terms.

Best Regards,

<image011.png> **Michael Wright** Project Manager
Vicano Construction Limited
p: 519-759-4120
m: 519-209-7252
w: www.vicano.com
e: michael.wright@vicano.com
a: 225 Paris Road, Brantford, ON N3R 1J2

Follow us:

<image012.png> <image013.png> <image014.png> <image015.png>

<GMFM - Schedule.pdf>

**THIS IS EXHIBIT "I" TO
THE AFFIDAVIT OF PAUL MILLAR
SWORN BEFORE ME THIS 9TH
DAY OF JULY 2021**



A Commissioner etc.

Court File No. CV-19-113

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE CONSTRUCTION ACT, R.S.O. 1990, c. C. 30

BETWEEN:

VICANO CONSTRUCTION LIMITED

Plaintiff

- and -

**GOLDEN MILES FOOD CORPORATION, MAHAL VENTURE CAPITAL INC.,
SKYMARK FINANCE CORPORATION and KLN HOLDINGS INC.**

Defendants

**STATEMENT OF DEFENCE AND COUNTERCLAIM
OF GOLDEN MILES FOOD CORPORATION**

1. This Defendant admits the allegations contained in paragraphs 2, 3, 4, 6, 7, 17 and 18 of the Statement of Claim.
2. This Defendant denies the allegations contained in paragraphs 1, 5, 8 to 16, inclusive, and 19 to 45, inclusive, of the Statement of Claim.
3. This Defendant has no knowledge with regard to the allegations contained in paragraphs "not applicable" of the Statement of Claim.

Background Facts

4. On or about the 18th of May, 2016, this Defendant entered into an agreement with the Plaintiff whereby the Plaintiff was retained to construct a food

processing plant and baking facility (flour mill) at the premises known as 155 Adams Boulevard, Brantford, Ontario (the "Project").

Agreement Between the Plaintiff and the Defendant Vicano:

5. At a May 19, 2015, Scope of Work Meeting, the Plaintiff and its principal, Peter Vicano, agreed that they would, *inter alia*, carry out the design and construction of the flour mill, including, but not limited to, submitting and obtaining all necessary approvals required to be obtained on this Defendant's behalf from the City of Brantford, Architects, Engineers, Consultants and/or any other governmental authority/body, including obtaining building permits for 155 Adams Boulevard, Brantford, Ontario (the "Contract") so as to permit the construction of the project known to the parties as the "Mill Tower Building", which consists of a Mill Tower Building, an Unloading Grain Receiving Building and an Office Building (the "Project").

6. This Defendant states that the Plaintiff represented to this Defendant that it was an expert and held itself out as knowledgeable and having a special expertise to be able to deal with all aspects of the construction of the project for this Defendant's flour mill, including but not limited to, the design and construction of a new flour mill and that it would provide all required assistance in order for this Defendant's project to be completed pursuant to the agreement between the parties and in a timely fashion. The Plaintiff therefore owes a duty of care to this Defendant.

7. This Defendant also states that it relied upon the expertise of the Plaintiff to design the project, obtain building and all other permits and all required permits for the project from the Municipality and for the construction of the project. This Defendant fully

and wholly relied upon the Plaintiff's representations and suffered detriment as the representations were not accurate or true.

8. The agreement between the Plaintiff and this Defendant also provided for a start date by the Plaintiff at the Project of September 29, 2016, and a completion date of Fall 2017 at a cost of \$8,555,555.00 plus HST. This original completion date was based on December 2016 discussions with the Plaintiff's representative, Peter Vicano. Ultimately, a new completion date of October 2018 was determined at the offices of the Plaintiff at the end of June 2018 and was one of the many completion dates guaranteed by the Plaintiff that were not met, which caused damages to this Defendant for which the Plaintiff is responsible.

9. The Plaintiff represented to this Defendant on several occasions that it would be able to complete the Project by October 2018 at the agreed-to cost. This Defendant relied upon the representation(s) made by the Plaintiff that it had the expertise, knowledge, ability, resources to carry out the construction of the flour mill and that it would be able to meet the completion so stated at the agreed-to cost.

No Amounts Due and Owing to the Plaintiff

10. This Defendant denies that monies are owing to the Plaintiff as claimed in the Statement of Claim.

11. This Defendant puts the Plaintiff to the strict proof of establishing the amounts claimed in its Statement of Claim for the labour, service and materials alleged performed and/or supplied by the Plaintiff to the Project. A394

The Plaintiff's Incomplete and Deficient Work

12. This Defendant states that it was an express or implied term of its agreement with the Plaintiff that the Plaintiff's work would be fully performed in a good, workmanlike and timely manner and in accordance with the terms and conditions of the contract.

13. This Defendant's damages were caused by reason of the negligence, acts, omissions, misrepresentations, breach of duty of the Plaintiff and of those for whom it is responsible in law, the particulars of which may include but are not limited to the following:

- a) It failed to obtain building permit as required as more particularly noted in the Order to Comply Issued on June 20, 2017, by the City of Brantford;
- b) It failed to comply with the requirements of the Ontario Building Code;
- c) It failed to take reasonable care in the circumstances;
- d) It failed to carry out their work in a good, safe, proper and workmanlike manner;
- e) It failed to perform their work in accordance with applicable laws, regulations, codes, industry standards and reasonable standards;
- f) It failed to adequately train and/or supervise its employees, servants, agents, contractors, subcontractors and those for whom it was responsible in law with respect to the work;
- g) It failed to ensure that its employees, servants, agents, contractors and/or subcontractors who performed the work were duly licensed and certified in

5

accordance with applicable laws, codes, regulations, industry, standards and reasonable standards;

- h) It employed incompetent and/or unqualified employees, servants, agents, contractors, and subcontractors to perform the work;
- i) It permitted a roof design that is not intended for its use;
- j) It failed to design a basement and mezzanine for the use intended;
- k) It failed to supervise and co-ordinate the services of the design consultants properly or at all during construction;
- l) It failed to properly inspect the completed work to ensure that it was done in accordance with the drawings and/or done in a safe, good and workmanlike manner;
- m) It failed to ensure that the work was performed with generally accepted engineering and construction standards; and
- n) Such further and other particulars as are currently known to the Plaintiff and/or its employees, agents, servants, contractors and subcontractors and shall become known to this Defendant prior to the trial of this proceeding.

14. This Defendant states and the fact is that the Plaintiff has breached its agreement with this Defendant in that the Plaintiff failed to complete the work as required by the agreement between the parties.

15. This Defendant further states that the parts of the agreement that the Plaintiff did perform were performed in a manner which does not meet with the standard required and that there were numerous deficiencies arising from the negligent an

unworkmanlike manner in which the Plaintiff performed the part of the work that was completed. This Defendant will provide detailed particulars of the deficiencies at a reasonable time prior to trial.

16. This Defendant states and the fact is that as a result of the Plaintiff's failure to perform the work required by the agreement between the parties and as a result of the need to correct the numerous deficiencies arising from the negligent and unworkmanlike manner in which the Plaintiff completed the work that was done on this project, the project was delayed by the Plaintiff and this Defendant has suffered damages for which the Plaintiff is responsible.

17. This Defendant states that the Plaintiff performed work on the Project negligently, carelessly and unskilfully and failed to fulfil the obligations it owed to the Defendant pursuant to the agreement between the parties. This Defendant further states that the Plaintiff breached its agreement with the Defendant in that:

- (a) it failed to perform its work in a good and workmanlike manner free of deficiencies;
- (b) it failed to complete its work in a timely manner and in accordance with the schedule for the Project;
- (c) its work is incomplete;
- (d) it failed to comply with the design, plans and specifications pertaining to the work;
- (e) it failed to supply the necessary manpower to the Project to complete its work;

7

- (f) it failed to ensure due and proper execution of its work;
- (g) it failed to adequately manage, inspect and supervise the work, or at all, during construction;
- (h) it failed to make any, or any proper, onsite quality control during its work to verify and control the acceptability, accuracy and quality of its work and/or materials;
- (i) it failed to abide by the terms of the agreement owed to the Defendant and failed to perform its duties under the agreement; and
- (j) it failed in its duty to this Defendant to complete the work on a budget as set out in the Plaintiff's Proposal Quotation and it failed in its duty to this Defendant to manage the design and building of the project as a competent contractor.

18. This Defendant pleads and relies upon the relevant provisions of the Negligence Act, R.S.O. 1990 c.N.

19. This Defendant states that after its entitlement to set-off against amounts otherwise due and owing to the Plaintiff, which amounts are denied and not admitted, the Plaintiff has no amounts owing to it.

20. This Defendant states and the fact is that in the event that it is determined that any sums of money are owing to the Plaintiff, which is expressly denied and not admitted, this Defendant states and the fact is that the afore-noted damages, expenses and costs associated with same be set off against any amount owing to the Plaintiff

8

and, therefore, this Defendant claims an equitable and legal set off in regards to same.

This Defendant reiterates and claims a set off pursuant to Section 111 of the *Courts of Justice Act*, R.S.O., 1990.

Alleged Extras

21. A portion of the Plaintiff's work relates to alleged additional costs associated with alleged work performed by the Plaintiff on the Project.

22. The amounts claimed by the Plaintiff in the Statement of Claim include amounts for items which are not legitimate extras\additional work ("Extras") pursuant to the agreement between this Defendant and the Plaintiff. This Defendant puts the Plaintiff to the strict proof of establishing both the entitlement to and quantum of any Extras claimed.

23. Any claims for Extras were not authorized by this Defendant as some or all of the alleged extra work formed part of the Plaintiff's original scope of work under its contract with the Defendant. Further, the Plaintiff has improperly claimed payment for extra work when such work was included in the original scope of work with respect to the Project and were not Extras to the contract.

24. In the alternative, if said Extras are proper Extras pursuant to the agreement between this Defendant and the Plaintiff, which is not admitted but denied, and have not been included in previous payments, the amounts claimed are excessive and remote and this Defendant puts the Plaintiff to the strict proof thereof.

A Portion of the Plaintiff's Claim is Based on Delay to the Project

25. This Defendant further states that a portion of the Plaintiff's claim relates to alleged additional costs incurred by the Plaintiff as a result of the extended duration of the Project ("Stand By Costs"). This Defendant denies that the Plaintiff's work on the Project was delayed by this Defendant and denies that the Plaintiff incurred additional costs as claimed in the Statement of Claim. This Defendant puts the Plaintiff to the strict proof of each elements of its claim thereof.

26. In the alternative, to the extent the Project has been delayed, the delay was not caused by this Defendant but was caused by the Plaintiff or those for whom the Plaintiff was responsible.

27. In the further alternative, to the extent the Project has been delayed and the Plaintiff has incurred corresponding additional costs as a result, which costs are not admitted but specifically denied, this Defendant states that the amounts claimed by the Plaintiff are grossly overstated, excessive and remote. This Defendant denies the propriety of the Plaintiff's claim for such Stand-By Costs and further denies that the Plaintiff is entitled to claims for such Stand-By Costs under the Subcontract.

28. This Defendant further states that to the extent that the Plaintiff encountered any conditions that could give rise to damages, the Plaintiff was (and is) obligated to take all necessary steps to mitigate its damages. To the extent the Plaintiff established an entitlement to any damages, which is not admitted but denied, this

Defendant states that the Plaintiff, in breach of its obligations, failed to mitigate its damages.

Plaintiff's Claim for Lien

29. This Defendant states that the Plaintiff has not complied with the requirements of the Construction Lien Act in that it did not file and register a Claim for Lien against the property within 45 days of the last day worked as required by the Construction Lien Act.

30. This Defendant states and the fact is that the Plaintiff has not complied with the Construction Act and has not preserved its lien rights as required by the Construction Act in that the Plaintiff did not register a Certificate of Action and begin an action within the time periods required by the Construction Act.

31. This Defendant has complied with all provisions of the Construction Act, as amended, and has failed to provide the required notice to the owner of the lands pursuant to the requirements of the Construction Act, as amended.

32. In the alternative, this Defendant states and the fact is that the Plaintiff's claim is excessive and/or remote, which claim is denied and not admitted.

33. In the further alternative, this Defendant states and the fact is that the Plaintiff has failed to mitigate its damages, which damages are denied and not admitted.

34. This Defendant therefore requests that this action be dismissed with costs on a substantial indemnity basis.

COUNTERCLAIM

35. The Defendant, Golden Miles Food Corporation, claims as against the Plaintiff for:

- (a) damages for breach of contract and delay in the sum of \$79,200,000.00;
- (b) damages for deficient work, work not performed, additional cost to complete, delay costs, ongoing financing costs, ongoing carrying costs, loss of opportunity, loss of profit, breach of contract and damages suffered as a result of the Plaintiff's breach of contract in the sum of \$3,000,000.00;
- (c) indemnity and contribution from the Plaintiff for any and all defects for which this Defendant may be held responsible;
- (d) pre- and post-judgment interest pursuant to the provisions of the Courts of Justice Act and any amendments thereto;
- (e) costs of this matter on a substantial indemnity basis;
- (f) such further and other relief as this Honourable Court deems just.

36. This Defendant, Plaintiff by Counterclaim, pleads and relies upon each and every allegation contained in the Statement of Defence herein.

37. This Defendant, Plaintiff by Counterclaim, states and the fact is that the Plaintiff, Defendant by Counterclaim, failed to complete the work as required pursuant to the agreement between the parties and/or refused to comply with its obligations pursuant to the contract.

38. This Defendant, Plaintiff by Counterclaim, states and the fact is that as a result of the failures and/or refusals, breaches, delays and negligence of the Plaintiff, Defendant by Counterclaim, there have been numerous problems\delays caused by the Plaintiff, Defendant by Counterclaim, which ultimately resulted in loss and/or damages to this Defendant, Plaintiff by Counterclaim, in the sum of \$79,200,000.00, plus applicable taxes. This Defendant, Plaintiff by Counterclaim, will provide particulars of said deficiencies at a reasonable time prior to the trial of this matter.

39. This Defendant, Plaintiff by Counterclaim, pleads that it has suffered damages as a result of the Plaintiff, Defendant by Counterclaim's, negligent or improper work. This Defendant, Plaintiff by Counterclaim, has been required to rectify the deficiencies and complete the Subcontract and has suffered damages in the sum of \$3,000,000.00, for which the Plaintiff, Defendant by Counterclaim, is responsible.

40. This Defendant, Plaintiff by Counterclaim, states that this action has been commenced under the Construction Act but should have been commenced under the Construction Lien Act.

41. This Defendant, Plaintiff by Counterclaim states that this action must be tried along with Action Number CV-19-121 between Golden Miles Food Corporation as Plaintiff and Vicano Construction Limited et al as Defendants, commenced at Brantford, Ontario.

13

42. This Defendant, Plaintiff by Counterclaim, will provide particulars of its damages at a reasonable time prior to the trial of this matter.

June 7, 2019

BIANCHI PRESTA LLP
Barristers & Solicitors
9100 Jane Street
3rd Floor, Building "A"
Vaughan, Ontario
L4K 0A4

Domenic C.S. Presta
Tel: (905) 738-1078
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Lawyers for the Defendants,
Golden Miles Food Corporation and
Mahal Venture Capital Inc.

TO: WATEROUS HOLDEN AMEY HITCHON LLP
20 Wellington Street
P.O. Box 1510
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Lawyers for the Plaintiff

VICANO CONSTRUCTION LIMITED

- AND -

GOLDEN MILES FOOD CORPORATION et al

Plaintiff

Defendants

COURT FILE NO. CV-19-113

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceedings commenced at Brantford

**STATEMENT OF DEFENCE AND
COUNTERCLAIM OF
GOLDEN MILES FOOD CORPORATION**

BIANCHI PRESTA LLP
Barristers & Solicitors
9100 Jane Street
3rd Floor, Building "A"
Vaughan, Ontario
L4K 0A4

Domenic C.S. Presta
Law Society No. 025501P
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Email: dpresta@bianchipresta.com

Lawyers for the Defendant,
Golden Miles Food Corporation and
Mahal Venture Capital Inc.

**THIS IS EXHIBIT "J" TO
THE AFFIDAVIT OF PAUL MILLAR
SWORN BEFORE ME THIS 9TH
DAY OF JULY 2021**



A Commissioner etc.



46 Village Centre Place, Suite 300 Tel: (866)380-9979
 Mississauga, ON, L4Z 1V9 Fax: (866)696-0509
 www.skymarkfinance.ca Fax: (905)272-1905

23-Jun-21

Golden Mile Bread and Bagel Corp.

155 Adams Blvd
 Brantford, ON

Re: Statement of Account - Golden Mile Bread and Bagel Corp.

Please be advised that there follows a statement for discharge purposes:

As of June 21, 2021

Principal Loan Outstanding (602804 Agreement) #1			\$928,500.00
Principal Loan Outstanding (608235 Agreement)#2			\$3,360,000.00
Principal Loan Outstanding (608243 Agreement) #3			\$337,837.38
Principal Loan Outstanding (611104 Agreement) #4 - See the 2nd mortgage	\$2,027,027.03		
Principal Loan Outstanding (611111 Agreement) #5 - See the 2nd mortgage	\$879,500.00		
6 deferred Payments (Agreements 1,2,3,4,5)			\$374,759.97
Interest outstanding as of June21, 2021 (Agreements 1,2,3,4,5)	\$	2,435,957.31	
Received Payments (August 25, 2020 to January 1, 2021)	\$	(372,644.50)	
Registration Costs (Agreements 1,2,3,4,5)			\$1,500.00
	\$2,906,527.03	\$2,063,312.81	\$5,002,597.35
TOTAL			\$9,972,437.18

Per diem \$2,697.46

Payable to Skymark Finance Corporation (Certified Cheque or Bank Draft)

E. & O.E.

Once we receive funds, we will register discharge of Notice Of Security Interest and provide copy of same to your office.



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23-Jun-21

Golden Mile Bread and Bagel Corp.

155 Adams Blvd
 Brantford, ON

Re: Statement of Account - Golden Mile Bread and Bagel Corp.

Please be advised that there follows a statement for informative purposes:

As of June 21, 2021

Principal Loan Outstanding (602804 Agreement) #1	\$928,500.00
6 deferred Payments	\$46,192.86
Interest outstanding from April 15, 2018 to June 21, 2021	\$367,940.85
Registration Costs	\$300.00
	<hr/>

\$1,342,933.71

Per Diem **\$363.25**

Payable to Skymark Finance Corporation (Certified Cheque or Bank Draft)

E. & O.E.

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Schedule of charges on Principal Loan Outstanding (602804 Agreement) #1

Number of periods	Date	Principal beginning balance	Paydown	Memo	Advance	Principal ending balance	Interest rate 9.95%
1	4/15/2018	\$928,500.00				\$928,500.00	\$7,698.81
2	5/15/2018	\$936,198.81				\$936,198.81	\$7,762.65
3	6/15/2018	\$943,961.46				\$943,961.46	\$7,827.01
4	7/15/2018	\$951,788.47				\$951,788.47	\$7,891.91
5	8/15/2018	\$959,680.39				\$959,680.39	\$7,957.35
6	9/15/2018	\$967,637.74				\$967,637.74	\$8,023.33
7	10/15/2018	\$975,661.07				\$975,661.07	\$8,089.86
8	11/15/2018	\$983,750.92				\$983,750.92	\$8,156.93
9	12/15/2018	\$991,907.86				\$991,907.86	\$8,224.57
10	1/15/2019	\$1,000,132.43				\$1,000,132.43	\$8,292.76
11	2/15/2019	\$1,008,425.19				\$1,008,425.19	\$8,361.53
12	3/15/2019	\$1,016,786.72				\$1,016,786.72	\$8,430.86
13	4/15/2019	\$1,025,217.57				\$1,025,217.57	\$8,500.76
14	5/15/2019	\$1,033,718.34				\$1,033,718.34	\$8,571.25
15	6/15/2019	\$1,042,289.58				\$1,042,289.58	\$8,642.32
16	7/15/2019	\$1,050,931.90				\$1,050,931.90	\$8,713.98
17	8/15/2019	\$1,059,645.88				\$1,059,645.88	\$8,786.23
18	9/15/2019	\$1,068,432.11				\$1,068,432.11	\$8,859.08
19	10/15/2019	\$1,077,291.19				\$1,077,291.19	\$8,932.54
20	11/15/2019	\$1,086,223.73				\$1,086,223.73	\$9,006.61
21	12/15/2019	\$1,095,230.34				\$1,095,230.34	\$9,081.28
22	1/15/2020	\$1,104,311.62				\$1,104,311.62	\$9,156.58
23	2/15/2020	\$1,113,468.21				\$1,113,468.21	\$9,232.51
24	3/15/2020	\$1,122,700.71				\$1,122,700.71	\$9,309.06
25	4/15/2020	\$1,132,009.77				\$1,132,009.77	\$9,386.25
26	5/15/2020	\$1,141,396.02				\$1,141,396.02	\$9,464.08
27	6/15/2020	\$1,150,860.10				\$1,150,860.10	\$9,542.55
28	7/15/2020	\$1,160,402.64				\$1,160,402.64	\$9,621.67
29	8/15/2020	\$1,170,024.32				\$1,170,024.32	\$9,701.45
30	9/15/2020	\$1,179,725.77				\$1,179,725.77	\$9,781.89
31	10/15/2020	\$1,189,507.66				\$1,189,507.66	\$9,863.00
32	11/15/2020	\$1,199,370.66				\$1,199,370.66	\$9,944.78
33	12/15/2020	\$1,209,315.44				\$1,209,315.44	\$10,027.24
34	1/15/2021	\$1,219,342.68				\$1,219,342.68	\$10,110.38
35	2/15/2021	\$1,229,453.07				\$1,229,453.07	\$10,194.22
36	3/15/2021	\$1,239,647.28				\$1,239,647.28	\$10,278.74
37	4/15/2021	\$1,249,926.02				\$1,249,926.02	\$10,363.97
38	5/1/2021	\$1,260,289.99				\$1,260,289.99	\$10,449.90
39	5/28/2021	\$1,270,739.90				\$1,270,739.90	\$9,672.90
	5/28/2021			rate changed to			19.90%
40	6/1/2021	\$1,280,412.80				\$1,280,412.80	\$1,392.36
41	6/21/2021	\$1,281,805.16					\$14,635.69
						\$1,296,440.85	\$367,940.85



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23-Jun-21

Golden Mile Bread and Bagel Corp.

155 Adams Blvd
 Brantford, ON

Re: Statement of Account - Golden Mile Bread and Bagel Corp.

Please be advised that there follows a statement for discharge purposes:

As of June 21, 2021

Principal Loan Outstanding (608235 Agreement)#2	\$3,360,000.00
6 deferred Payments	\$167,160.00
Interest outstanding from June 1, 2018 to June 21, 2021	\$1,254,638.89
Registration Costs	\$300.00
	\$4,782,098.89

Per Diem **\$1,300.05**

Payable to Skymark Finance Corporation (Certified Cheque or Bank Draft)

E. & O.E.

Once we receive funds, we will register discharge of Notice Of Security Interest and provide copy of same to your office.



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Schedule of charges on Principal Loan Outstanding (608235 Agreement)#2

Number of periods	Date	Principal beginning balance	Paydown	Memo	Advance	Principal ending balance	Interest rate 9.95%
1	6/1/2018	\$3,360,000.00				\$3,360,000.00	\$27,860.00
2	7/1/2018	\$3,387,860.00				\$3,387,860.00	\$28,091.01
3	8/1/2018	\$3,415,951.01				\$3,415,951.01	\$28,323.93
4	9/1/2018	\$3,444,274.93				\$3,444,274.93	\$28,558.78
5	10/1/2018	\$3,472,833.71				\$3,472,833.71	\$28,795.58
6	11/1/2018	\$3,501,629.29				\$3,501,629.29	\$29,034.34
7	12/1/2018	\$3,530,663.63				\$3,530,663.63	\$29,275.09
8	1/1/2019	\$3,559,938.72				\$3,559,938.72	\$29,517.83
9	2/1/2019	\$3,589,456.55				\$3,589,456.55	\$29,762.58
10	3/1/2019	\$3,619,219.12				\$3,619,219.12	\$30,009.36
11	4/1/2019	\$3,649,228.48				\$3,649,228.48	\$30,258.19
12	5/1/2019	\$3,679,486.67				\$3,679,486.67	\$30,509.08
13	6/1/2019	\$3,709,995.75				\$3,709,995.75	\$30,762.05
14	7/1/2019	\$3,740,757.79				\$3,740,757.79	\$31,017.12
15	8/1/2019	\$3,771,774.91				\$3,771,774.91	\$31,274.30
16	9/1/2019	\$3,803,049.21				\$3,803,049.21	\$31,533.62
17	10/1/2019	\$3,834,582.83				\$3,834,582.83	\$31,795.08
18	11/1/2019	\$3,866,377.91				\$3,866,377.91	\$32,058.72
19	12/1/2019	\$3,898,436.63				\$3,898,436.63	\$32,324.54
20	1/1/2020	\$3,930,761.16				\$3,930,761.16	\$32,592.56
21	2/1/2020	\$3,963,353.72				\$3,963,353.72	\$32,862.81
22	3/1/2020	\$3,996,216.53				\$3,996,216.53	\$33,135.30
23	4/1/2020	\$4,029,351.83				\$4,029,351.83	\$33,410.04
24	5/1/2020	\$4,062,761.87				\$4,062,761.87	\$33,687.07
25	6/1/2020	\$4,096,448.94				\$4,096,448.94	\$33,966.39
26	7/1/2020	\$4,130,415.33				\$4,130,415.33	\$34,248.03
27	8/1/2020	\$4,164,663.35				\$4,164,663.35	\$34,532.00
28	9/1/2020	\$4,199,195.35				\$4,199,195.35	\$34,818.33
29	10/1/2020	\$4,234,013.68				\$4,234,013.68	\$35,107.03
30	11/1/2020	\$4,269,120.71				\$4,269,120.71	\$35,398.13
31	12/1/2020	\$4,304,518.84				\$4,304,518.84	\$35,691.64
32	1/1/2021	\$4,340,210.47				\$4,340,210.47	\$35,987.58
33	2/1/2021	\$4,376,198.05				\$4,376,198.05	\$36,285.98
34	3/1/2021	\$4,412,484.03				\$4,412,484.03	\$36,586.85
35	4/1/2021	\$4,449,070.87				\$4,449,070.87	\$36,890.21
36	5/1/2021	\$4,485,961.09				\$4,485,961.09	\$37,196.09
37	5/28/2021	\$4,523,157.18				\$4,523,157.18	\$34,430.37
	5/28/2021			rate changed to			19.90%
38	6/1/2021	\$4,557,587.55				\$4,557,587.55	\$4,956.07
39	6/21/2021	\$4,562,543.62					\$52,095.27
40							
						\$4,614,638.89	\$1,254,638.89



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23-Jun-21

Golden Mile Bread and Bagel Corp.

155 Adams Blvd
 Brantford, ON

Re: Statement of Account - Golden Mile Bread and Bagel Corp.

Please be advised that there follows a statement for discharge purposes:

As of June 21, 2021

Principal Loan Outstanding (608243 Agreement) #3	\$633,950.00
Based on Actual advance	\$337,837.38
6 deferred Payments	\$16,807.41
Interest outstanding from Sep 15, 2018 to June 21, 2021	\$112,973.13
Registration Costs	<u>\$300.00</u>

\$467,917.92

Per Diem **\$127.21**

Payable to Skymark Finance Corporation (Certified Cheque or Bank Draft)

E. & O.E.

Once we receive funds, we will register discharge of Notice Of Security Interest and provide copy of same to your office.



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Schedule of charges on Principal Loan Outstanding (608243 Agreement) #3

Number of periods	Date	Principal beginning balance	Paydown	Memo	Advance	Principal ending balance	Interest rate 9.95%
1	9/15/2018	\$337,837.38				\$337,837.38	\$2,801.23
2	10/15/2018	\$340,638.61				\$340,638.61	\$2,824.46
3	11/15/2018	\$343,463.08				\$343,463.08	\$2,847.88
4	12/15/2018	\$346,310.96				\$346,310.96	\$2,871.50
5	1/15/2019	\$349,182.45				\$349,182.45	\$2,895.30
6	2/15/2019	\$352,077.76				\$352,077.76	\$2,919.31
7	3/15/2019	\$354,997.07				\$354,997.07	\$2,943.52
8	4/15/2019	\$357,940.59				\$357,940.59	\$2,967.92
9	5/15/2019	\$360,908.51				\$360,908.51	\$2,992.53
10	6/15/2019	\$363,901.04				\$363,901.04	\$3,017.35
11	7/15/2019	\$366,918.39				\$366,918.39	\$3,042.36
12	8/15/2019	\$369,960.75				\$369,960.75	\$3,067.59
13	9/15/2019	\$373,028.35				\$373,028.35	\$3,093.03
14	10/15/2019	\$376,121.37				\$376,121.37	\$3,118.67
15	11/15/2019	\$379,240.05				\$379,240.05	\$3,144.53
16	12/15/2019	\$382,384.58				\$382,384.58	\$3,170.61
17	1/15/2020	\$385,555.18				\$385,555.18	\$3,196.90
18	2/15/2020	\$388,752.08				\$388,752.08	\$3,223.40
19	3/15/2020	\$391,975.48				\$391,975.48	\$3,250.13
20	4/15/2020	\$395,225.61				\$395,225.61	\$3,277.08
21	5/15/2020	\$398,502.69				\$398,502.69	\$3,304.25
22	6/15/2020	\$401,806.94				\$401,806.94	\$3,331.65
23	7/15/2020	\$405,138.59				\$405,138.59	\$3,359.27
24	8/15/2020	\$408,497.86				\$408,497.86	\$3,387.13
25	9/15/2020	\$411,884.99				\$411,884.99	\$3,415.21
26	10/15/2020	\$415,300.21				\$415,300.21	\$3,443.53
27	11/15/2020	\$418,743.74				\$418,743.74	\$3,472.08
28	12/15/2020	\$422,215.82				\$422,215.82	\$3,500.87
29	1/15/2021	\$425,716.69				\$425,716.69	\$3,529.90
30	2/15/2021	\$429,246.59				\$429,246.59	\$3,559.17
31	3/15/2021	\$432,805.76				\$432,805.76	\$3,588.68
32	4/15/2021	\$436,394.44				\$436,394.44	\$3,618.44
33	5/15/2021	\$440,012.88				\$440,012.88	\$3,648.44
34	5/28/2021	\$443,661.32				\$443,661.32	\$1,567.97
	5/28/2021			rate changed to			19.90%
35	6/15/2021	\$445,229.29				\$445,229.29	\$4,115.33
36	6/21/2021	\$449,344.62				\$449,344.62	\$1,465.89
						\$450,810.51	\$112,973.13



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23-Jun-21

Golden Mile Bread and Bagel Corp.

155 Adams Blvd
 Brantford, ON

Re: Statement of Account - Golden Mile Bread and Bagel Corp.

Please be advised that there follows a statement for discharge purposes:

As of June 21, 2021

Principal Loan Outstanding (611104 Agreement) #4	\$2,680,000.00	
Based on Actual advance	\$2,027,027.03	
6 deferred Payments		\$100,844.58
Interest outstanding from June 1, 2019 to June 21, 2021		\$494,269.06
Registration Costs		\$300.00
	<hr/>	<hr/>
	\$2,027,027.03	\$595,413.64

TOTAL	<hr/>	<hr/>
		\$2,622,440.67

Per Diem **\$712.93**

Payable to Skymark Finance Corporation (Certified Cheque or Bank Draft)

E. & O.E.

Once we receive funds, we will register discharge of Notice Of Security Interest and provide copy of same to your office.



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Schedule of charges on Principal Loan Outstanding (611104 Agreement) #4

Number of periods	Date	Principal beginning balance	Paydown	Memo	Advance	Principal ending balance	Interest rate 9.95%
1	6/1/2019	\$2,027,027.03				\$2,027,027.03	\$16,807.43
2	7/1/2019	\$2,043,834.46				\$2,043,834.46	\$16,946.79
3	8/1/2019	\$2,060,781.25				\$2,060,781.25	\$17,087.31
4	9/1/2019	\$2,077,868.56				\$2,077,868.56	\$17,228.99
5	10/1/2019	\$2,095,097.56				\$2,095,097.56	\$17,371.85
6	11/1/2019	\$2,112,469.41				\$2,112,469.41	\$17,515.89
7	12/1/2019	\$2,129,985.30				\$2,129,985.30	\$17,661.13
8	1/1/2020	\$2,147,646.43				\$2,147,646.43	\$17,807.57
9	2/1/2020	\$2,165,454.00				\$2,165,454.00	\$17,955.22
10	3/1/2020	\$2,183,409.22				\$2,183,409.22	\$18,104.10
11	4/1/2020	\$2,201,513.32				\$2,201,513.32	\$18,254.21
12	5/1/2020	\$2,219,767.54				\$2,219,767.54	\$18,405.57
13	6/1/2020	\$2,238,173.11				\$2,238,173.11	\$18,558.19
14	7/1/2020	\$2,256,731.29				\$2,256,731.29	\$18,712.06
15	8/1/2020	\$2,275,443.36				\$2,275,443.36	\$18,867.22
16	9/1/2020	\$2,294,310.58				\$2,294,310.58	\$19,023.66
17	10/1/2020	\$2,313,334.23				\$2,313,334.23	\$19,181.40
18	11/1/2020	\$2,332,515.63				\$2,332,515.63	\$19,340.44
19	12/1/2020	\$2,351,856.07				\$2,351,856.07	\$19,500.81
20	1/1/2021	\$2,371,356.88				\$2,371,356.88	\$19,662.50
21	2/1/2021	\$2,391,019.38				\$2,391,019.38	\$19,825.54
22	3/1/2021	\$2,410,844.92				\$2,410,844.92	\$19,989.92
23	4/1/2021	\$2,430,834.84				\$2,430,834.84	\$20,155.67
24	5/1/2021	\$2,450,990.51				\$2,450,990.51	\$20,322.80
25	5/28/2021	\$2,471,313.31				\$2,471,313.31	\$18,811.69
	5/28/2021			rate changed to			19.90%
26	6/1/2021	\$2,490,125.00				\$2,490,125.00	\$2,707.84
27	6/21/2021	\$2,492,832.84					\$28,463.25
						\$2,521,296.09	\$494,269.06



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23-Jun-21

Golden Mile Bread and Bagel Corp.

155 Adams Blvd
 Brantford, ON

Re: Statement of Account - Golden Mile Bread and Bagel Corp.

Please be advised that there follows a statement for discharge purposes:

As of June 21, 2021

Principal Loan Outstanding (611111 Agreement) #5	\$879,500.00	
6 deferred Payments		\$43,755.12
Interest outstanding from July 1, 2019 to June 21, 2021		\$206,135.37
Registration Costs		\$300.00
	\$879,500.00	\$250,190.49
TOTAL		\$1,129,690.49

Per Diem \$307.12

Payable to Skymark Finance Corporation (Certified Cheque or Bank Draft)

E. & O.E.

Once we receive funds, we will register discharge of Notice Of Security Interest and provide copy of same to your office.



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Schedule of charges on Principal Loan Outstanding (611111 Agreement) #5

Number of periods	Date	Principal beginning balance	Paydown	Memo	Advance	Principal ending balance	Interest rate
1	7/1/2019	\$879,500.00				\$879,500.00	9.95%
2	8/1/2019	\$886,792.52				\$886,792.52	\$7,352.99
3	9/1/2019	\$894,145.51				\$894,145.51	\$7,413.96
4	10/1/2019	\$901,559.47				\$901,559.47	\$7,475.43
5	11/1/2019	\$909,034.90				\$909,034.90	\$7,537.41
6	12/1/2019	\$916,572.31				\$916,572.31	\$7,599.91
7	1/1/2020	\$924,172.22				\$924,172.22	\$7,662.93
8	2/1/2020	\$931,835.15				\$931,835.15	\$7,726.47
9	3/1/2020	\$939,561.62				\$939,561.62	\$7,790.53
10	4/1/2020	\$947,352.15				\$947,352.15	\$7,855.13
11	5/1/2020	\$955,207.28				\$955,207.28	\$7,920.26
12	6/1/2020	\$963,127.54				\$963,127.54	\$7,985.93
13	7/1/2020	\$971,113.47				\$971,113.47	\$8,052.15
14	8/1/2020	\$979,165.62				\$979,165.62	\$8,118.91
15	9/1/2020	\$987,284.53				\$987,284.53	\$8,186.23
16	10/1/2020	\$995,470.77				\$995,470.77	\$8,254.11
17	11/1/2020	\$1,003,724.88				\$1,003,724.88	\$8,322.55
18	12/1/2020	\$1,012,047.43				\$1,012,047.43	\$8,391.56
19	1/1/2021	\$1,020,438.99				\$1,020,438.99	\$8,461.14
20	2/1/2021	\$1,028,900.13				\$1,028,900.13	\$8,531.30
21	3/1/2021	\$1,037,431.43				\$1,037,431.43	\$8,602.04
22	4/1/2021	\$1,046,033.46				\$1,046,033.46	\$8,673.36
23	5/1/2021	\$1,054,706.83				\$1,054,706.83	\$8,745.28
24	5/28/2021	\$1,063,452.10				\$1,063,452.10	\$8,095.02
	5/28/2021			rate changed to			20.90%
25	6/1/2021	\$1,071,547.12				\$1,071,547.12	\$1,223.79
26	6/21/2021	\$1,072,770.91					\$12,864.46
						\$1,085,635.37	\$206,135.37

**THIS IS EXHIBIT "K" TO
THE AFFIDAVIT OF PAUL MILLAR
SWORN BEFORE ME THIS 9TH
DAY OF JULY 2021**



A Commissioner etc.

Jesse Mahal | CEO

155 Adams Blvd • Brantford, Ontario N3S7V8
Phone: 1-519-756-7065 • Mobile: 1-905-781-1399 • E-Mail: jesse@gmfoods.co
Web: www.gmfoods.co

Date: May 22, 2020

Skymark Finance
16 Village Centre Place - 3rd Floor
Mississauga, Ontario
L4Z 1V9

Dear Monika Dylag:

Please make the next advancement of \$200,000.00 payable to Golden Miles Food Corporation.

Sincerely,



Jesse Mahal
CEO



SKYMARK FINANCE CORPORATION

-and-

MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD CORPORATION

Applicant

Respondents
A420

Court File No. CV-21-00664778-00CL

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

PROCEEDING COMMENCED AT
TORONTO

REPLY APPLICATION RECORD

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