

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

CMLS FINANCIAL LTD.

Applicant
and

BRONTE LAKESIDE LTD. and BRONTE LIMITED PARTNERSHIP

Respondents

AFFIDAVIT OF SARMAD GANNI

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

I, SARMAD GANNI of the City of Burlington, in the Province of Ontario, MAKE OATH AND AFFIRM:

1. I am a principal in Bronte Lakeside Ltd., a Respondent in this proceeding. As such I have knowledge of the matters to which I hereinafter depose, except where such knowledge is based on information and belief, in which case I have stated the source of said information and believe it to be true.
2. I swear this affidavit in response to the Applicants' receivership application.

Background

3. Bronte Lakeside Ltd. holds title to the properties at 2432-2452 Lakeshore Road West, Oakville, Ontario I5J 1K4 and 77, 87, and 93 Bronte Road, Oakville Ontario L6L 3B7 (the “**Property**”). The Property is beneficially owned by the other respondent, Bronte Limited Partnership. The Respondents are in the business of real estate development and are developing the Property.
4. The project to develop the Property is structured to allow for equity investment by way of limited partnership units. Bronte GP Inc. is the general partner (“**GP**”). It sells limited partnership units to certain limited partners (“**LPs**”), which are investments in the nature of an equity investment.
5. The Applicant, CMLS Financial Ltd. (“**CMLS**”) holds security against the Property and other assets of Bronte Lakeside Ltd. pursuant to a mortgage agreement registered as Instrument No. HR2075741 on the Property.
6. Due to a decline in the real estate development market, Bronte Lakeside Ltd. experienced difficulty securing sufficient investment in the development project at the Property to pay some construction contractors and property taxes.
7. Beginning in June 2025, certain contractors registered construction liens against the Property. The registration of these construction liens constituted defaults under the mortgage between it and CMLS.

8. On or about August 8, 2025, CMLS gave notice to Bronte Lakeside Ltd. that the construction liens constituted a default and demanded that the liens be discharged by August 18, 2025, failing which CMLS would demand repayment of the indebtedness.

9. Since the construction liens were registered, Bronte Lakeside Ltd. has worked diligently to raise capital through an investment to secure sufficient funds to pay out the construction liens and have them discharged. The principals of Bronte Lakeside Ltd., myself and the other partners in the project, have kept CMLS apprised of these efforts.

10. For the past several months, the partners of Bronte Lakeside Ltd. have been negotiating a transaction with a potential investor, Elite M.D. Developments Inc. (“Elite”) wherein Elite would acquire one group of partners’ interest and inject capital into the project to payout the construction liens and outstanding municipal taxes. I have participated in the negotiations including calls and meeting with CMLS and Elite concerning the transaction.

11. Bronte Lakeside Ltd. kept CMLS apprised of the status of negotiations of the Letter of Intent with Elite. It was anticipated that a Letter of Intent with Elite would have been executed several weeks ago. However, the Letter of Intent has been delayed by continuous last-minute changes to its terms.

12. As a result of the delay in the completion of the Letter of Intent with Elite, we have changed our strategy to negotiate an LP investment with Elite, which discussions are ongoing, as explained below.

Construction Liens Will Be Discharged and Municipal Taxes Will be Paid

13. The Respondents are negotiating a capital investment Elite, or another corporation to be incorporated for the investment, that will be named as a LP investor. The transaction details are still being memorialized, and the transaction documents will be provided to the Court upon execution.

14. The amount of the investment will be sufficient to discharge the outstanding construction liens and pay the municipal taxes which are in arrears.

15. The construction liens have the following values: TM Platforms Lien (\$75,639 + \$33,011.82), the Trak Lien (\$539,671), the Brooklyn Lien (\$215,121.00), and the Delta Lien (\$470,505). With respect to municipal taxes, these arrears totalled \$114,239.55 as of October 2, 2025.

16. Bronte Lakeside Ltd. will secure the investment to have the construction liens discharged within 10 days and the municipal taxes paid within 14 days of my Affidavit sworn Wednesday November 19, 2025, that would result in the liens being discharged by Friday November 25, 2025, and taxes paid by December 1, 2025.

The Bashi Loan Does Not Violate The Respondents' Covenants with CMLS

17. On Thursday November 20, 2025, counsel to the Plaintiff wrote to my lawyer, Sara J. Erskine, advising that: "we have been informed that in April 2025, the Beneficial Owner obtained additional financing in the amount of \$590K for the Project and granted a second mortgage against

the Bronte Property as security for the financing... This is a clear additional default under the Commitment Letter and the Mortgage.” This is not accurate.

18. The CMLS Financial Commitment Letter states as a general condition titled “Restrictions on Further Financing”:

A notice, registered on title to the property, pursuant to section 118 of the Land Titles Act (Ontario), restricting the Borrower from further charging the property without the prior written consent of the lender.

19. Attached hereto and marked as **Exhibit “A”** is a true copy of the Parcel Register for the Property. Among other things, the Parcel Register reflects that the Bashi Loan (defined below) is not registered on title to the Property. Accordingly, there has been no breach of the terms of the CMLS mortgage.

20. In fact, the original amount of money being \$590,000 (the “**Bashi Loan**”), was for the purposes of paying a permit on the project to further the development. The Bashis are LPs in the project, so the intention of the advancement of funds was always for the benefit of the project and to preserve the value of LPs so they could continue the development.

21. My intention is to speak to the Bashis with respect to converting the loan amount to equity and increasing their LP investment at the same time as the new investor is coming in with an LP investment for the betterment of the project.

22. While there was a commitment letter executed in July 2025 that includes a second mortgage, the parties agreed that it would be held in escrow and not registered against title. There

is no breach of the mortgage covenant with CMLS because no additional charge has been registered on title to the Property.

23. Accordingly, CMLS' security is intact. CMLS is first ranking security. Nothing about the Bashi Loan changes that position, and there is no prejudice to CMLS.

Not Just and Convenient to Appoint a Receiver

24. In all of the above circumstances, it is not just and convenient to appoint a court-appointed receiver over the Property.

25. The CMLS loan is maturing at the beginning of January, so there is no prejudice to CMLS if a receiver is not appointed because its collateral is not in jeopardy or deteriorating.

26. All of the interest on the CMLS loan is prepaid. Accordingly, CMLS will be paid all of the interest which is due and owing to it.

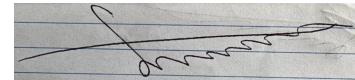
27. In addition, the appointment of a receiver will not maximize value, and it is not the best way to protect the interests of all stakeholders. In particular, the appointment of a receiver will be extremely costly.

28. I affirm this affidavit in response to the Applicant's receivership application and for no other or improper purpose.

AFFIRMED by Sarmad Ganni at the City of Burlington, in the Province of Ontario before me at the City of Toronto, in the Province of Ontario, on November 24, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jared Rosenbaum
Commissioner for Taking Affidavits
(or as may be)

JARED S. ROSENBAUM



Sarmad Ganni

This is Exhibit "A" referred to in
the Affidavit of Sarmad Ganni sworn by Sarmad Ganni of the
City of Toronto, in the Province of Ontario, before me at the
City of Toronto, in the province of Ontario, on November 24,
2025, in accordance with O. Reg. 431/20, Administering Oath
or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

JARED ROSENBAUM

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

PROPERTY DESCRIPTION: FIRSTLY: LOT 2, PLAN M8; PART LOT 1, PLAN M8, PART 1 & 8 PLAN 20R3921; SECONDLY: LOT 1A, PLAN M8; THIRDLY: LOT 3, PLAN M8; LOT 4, PLAN M8; 3; FOURTHLY: LOT 5, PLAN M8; FIFTHLY: PART LOT 7, PLAN M8, PART 2 PLAN 20R3921; SIXTHLY: LOT 9, PLAN M8; PART LOT 8, PLAN M8, PARTS 3 & 4 PLAN 20R3921; SEVENTHLY: PART LOT 11, PLAN M8; PART LOT 10, PLAN M8, PARTS 5 & 6 PLAN 20R3921; EXCEPT PARTS 1 AND 2, 20R22342; SUBJECT TO AN EASEMENT OVER PART 3, 20R22342 IN FAVOUR OF ; LAKESHORE RD W, PL M8 , (FORMERLY TRILLER ST) S OF NELSON ST ; PCL 1-2, SEC M8 ; PT LT 1, PL M8 , PART 1 , 20R3653 ; PCL 7-2, SEC M8 ; PT LT 7, PL M8 , PART 2 , 20R3653 ; PCL 8-2, SEC M8 ; PT LT 8, PL M8 , PART 3 , 20R3653 ; PCL 10-2, SEC M8 ; PT LTS 10 AS IN HR2005158; TOWN OF OAKVILLE

PROPERTY REMARKS: PLAN M8 IS NOT A PLAN OF SUBDIVISION WITHIN THE MEANING OF THE PLANNING ACT.

ESTATE/QUALIFIER: RECENTLY:

FEE SIMPLE
ABSOLUTE

PIN CREATION DATE:

2024/01/18

OWNERS' NAMES CAPACITY SHARE

BRONTE LAKESIDE LTD.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES AND	DELETED INSTRUMENTS SINCE 2024/01/18 **				
BL708	1958/05/05	BYLAW				C
	CORRECTIONS: BL708 ADDED TO PINS 25503-0001 - 0056 ON	2022/04/26 AT 09:17 BY WARNER, ROBERT.				C
20BA148	1968/03/13	PLAN BOUNDRIES ACT				C
	REMARKS: M8					C
H90689	1977/04/06	NOTICE			THE CORPORATION OF THE TOWN OF OAKVILLE	C
20R3921	1978/10/16	PLAN REFERENCE				C
20R10404	1991/05/27	PLAN REFERENCE				C
H620245	1995/12/15	NOTICE AGREEMENT			THE CORPORATION OF THE TOWN OF OAKVILLE	C
HR131834	2002/07/16	BYLAW		THE CORPORATION OF THE TOWN OF OAKVILLE		C
	REMARKS: OWNERS ALLOWED TO MAINTAIN AND USE THE PATIO	RAILINGS AND LAG SHIELDS, AS THEY ENCROACH UPON THE PUBLIC HIGHWAY LAKESHORE ROAD WEST UNTIL				C
	REQUESTED BY THE TOWN TO REMOVE THEM.					C
HR1789646	2021/05/12	TRANSFER	\$3,500,000	2233651 ONTARIO LIMITED	JM LAKESHORE-BRONTE INC.	C
	REMARKS: PLANNING ACT STATEMENTS.					C
HR1789647	2021/05/12	TRANSFER	\$11,020,000	SUPERTRIN PROPERTIES INC.	JM LAKESHORE-BRONTE INC.	C
	REMARKS: PLANNING ACT STATEMENTS.					C
HR1832068	2021/09/28	APL CH NAME OWNER		JM LAKESHORE-BRONTE INC.	BRONTE HARBOUR CLUB INC.	C
HR1881326	2022/04/06	APL CH NAME OWNER		BRONTE HARBOUR CLUB INC.	BRONTE LAKESIDE LTD.	C

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.

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HR1943976	2023/01/17	NOTICE		THE CORPORATION OF THE TOWN OF OAKVILLE		C
20R22342	2023/01/27	PLAN REFERENCE				C
HR1970899	2023/06/23	CHARGE		*** DELETED AGAINST THIS PROPERTY *** BRONTE LAKESIDE LTD.	EMPIRICAL CAPITAL CORP. OLYMPIA TRUST COMPANY	
HR1970900	2023/06/23	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** BRONTE LAKESIDE LTD.	EMPIRICAL CAPITAL CORP. OLYMPIA TRUST COMPANY	
		REMARKS: HR1970899.				
HR1971158	2023/06/23	RESTRICTION-LAND		*** DELETED AGAINST THIS PROPERTY *** BRONTE LAKESIDE LTD.		
		REMARKS: NO CHARGE WITHOUT THE CONSENT OF EMPIRICAL CAPITAL CORP. AND OLYMPIA TRUST COMPANY.				
HR2005156	2023/12/08	NOTICE		THE CORPORATION OF THE TOWN OF OAKVILLE		C
		REMARKS: PLANNING ACT AGREEMENT				
HR2005157	2023/12/08	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** EMPIRICAL CAPITAL CORP. OLYMPIA TRUST COMPANY	THE CORPORATION OF THE TOWN OF OAKVILLE	
		REMARKS: HR1970899 TO HR2005156				
HR2005158	2023/12/08	TRANSFER EASEMENT		BRONTE LAKESIDE LTD.	THE CORPORATION OF THE TOWN OF OAKVILLE	C
HR2005159	2023/12/08	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** EMPIRICAL CAPITAL CORP. OLYMPIA TRUST COMPANY	THE CORPORATION OF THE TOWN OF OAKVILLE	
		REMARKS: HR1970899 TO HR2005158				
HR2056245	2024/09/10	NOTICE		*** COMPLETELY DELETED *** BRONTE LAKESIDE LTD.	EMPIRICAL CAPITAL CORP. OLYMPIA TRUST COMPANY	
		REMARKS: AMENDS HR1970899				
HR2075741	2024/12/18	CHARGE	\$19,100,000	BRONTE LAKESIDE LTD.	CMLS FINANCIAL LTD.	C
HR2075742	2024/12/18	NO ASSGN RENT GEN		BRONTE LAKESIDE LTD.	CMLS FINANCIAL LTD., ON BEHALF OF INVESTOR CLIENT	C
		REMARKS: ASSIGNS HR2075741 RENTS				
HR2075896	2024/12/19	APL DELETE REST		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
				EMPIRICAL CAPITAL CORP. OLYMPIA TRUST COMPANY		
HR2075897	2024/12/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** EMPIRICAL CAPITAL CORP. OLYMPIA TRUST COMPANY		
				REMARKS: HR1971158.		
HR2111676	2025/06/19	CONSTRUCTION LIEN	\$75,639	TM PLATFORMS INC.		C
HR2115737	2025/07/09	CONSTRUCTION LIEN	\$539,671	TRAK INTERNATIONAL GREEN ENERGY RESOURCES INC.		C
HR2115839	2025/07/09	CONSTRUCTION LIEN	\$215,121	BROOKLYN CONTRACTING INC.		C
HR2122560	2025/08/11	CONSTRUCTION LIEN	\$470,505	DELTA GROUP		C
HR2125102	2025/08/21	CERTIFICATE		TM PLATFORMS INC.		C
HR2129398	2025/09/11	CERTIFICATE		TRAK INTERNATIONAL GREEN ENERGY RESOURCES INC.		C
HR2132023	2025/09/24	CERTIFICATE		BROOKLYN CONTRACTING INC.		C
HR2141564	2025/11/10	CERTIFICATE		DELTA GROUP		C
HR2142302	2025/11/13	CONSTRUCTION LIEN	\$33,011	TM PLATFORMS INC.		C

CMLS FINANCIAL LTD.
Plaintiffs

-and- **BRONTE LAKESIDE LTD. et al.**
Defendants

Court File No. CL-25-00753553-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF SARMAD GANNI
(affirmed November 24, 2025)

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Bronte Lakeside Ltd. and Bronte Limited Partnership

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