AMENDED / MODIFIÉ
August 28, 2026
PURSUANT TO / CONFORMÉMENT A
Rule 26 - 02
A. Medjidov
LOCAL REGISTRAR / GREFFIER LOCAL
SUPERIOR COURT OF JUSTICE (ONTARIO)

Court File No. CV-26-00001151-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.

Applicant

– and –

2715573 ONTARIO INC., 2661793 ONTARIO INC., NATASHA PINTO-CIMICATA, and GUERINO MATTHEW CIMICATA

Respondents

AMENDED 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 person

☐By telephone conference

☐By video conference

at the following location:

THIS APPLICATION will come on for a hearing at the Ontario Superior Court of Justice, 491 Steeles Av E, Milton, ON L9T 1Y7.

On a day 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 other 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.

Issued by: A.Medjidov
Local Registrar

Date: July 14, 2026

Address of court office:

Ontario Superior Court of Justice
491 Steeles Ave E
Milton, ON L9T 1Y7

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Ontario Ministry of Finance – Legal Services Branch

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AND TO: **IVANA COSIC**
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APPLICATION

1. The Applicant, Hillmount Capital Mortgage Holdings Inc. ("**Hillmount Mortgage**"), makes an application for an order that, among other things:

   (a) appoints Goldhar & Associates Ltd. as receiver and manager (in such capacity, the "**Receiver**"), without security, over all of the assets, undertakings and properties of 2715573 Ontario Inc. ("**271 Ontario**") and 2661793 Ontario Inc. ("**266 Ontario**"), including the real properties municipally known as 25 James Street, Georgetown, Ontario (the "**James Property**") and 413 Samford Place, Oakville, Ontario (the "**Samford Property"** and collectively with the James Property, the assets, undertakings and properties of 271 Ontario and 266 Ontario, the **"Property**");

   (b) grants a first-ranking super priority charge over the Property in favour of the Receiver and the Receiver's counsel to secure their fees and disbursements in respect of these proceedings; ~~and~~

   (c) grants a second-ranking super-priority charge over the Property for the purpose of funding these proceedings; and

2. such further and other relief as counsel may advise and this Honourable Court deems just.

THE GROUNDS FOR THIS APPLICATION ARE:

The Parties

3. Hillmount Capital Inc. ("**HCI**" or the "**Lender**") and Hillmount Mortgage ~~Capital Mortgage Holdings Inc. ("**Hillmount Mortgage**")~~ operate as a mortgage brokerage and administrator.

4. 271 Ontario is a privately held real estate holding company that owns the James Property. 266 Ontario is a construction company that provides construction services and assisted in the development of the James Property.

5. Guerino Matthew Cimicata and Natasha Pinto-Cimicata are the registered owners, as joint tenants, of the Samford Property.

6. HCI advanced a loan with a maximum principal amount of $950,000 (the "**Loan**") to 271 Ontario pursuant to a mortgage loan commitment letter dated October 21, 2019 (as amended and extended from time to time, the "**Commitment**").

7. As of ~~June 30~~ August 26, 2026, there was an aggregate ~~$1,044,753.34~~ $1,077,118.91, together with per diem interest of ~~$259.10~~ $261.10, outstanding (the "**Indebtedness**") under the Loan with interest, fees and costs continuing to accrue.

8. The payment and performance of all obligations under the Loan are jointly and severally guaranteed by Christopher Cimicata, Guerino Matthew Cimicata, Natasha Pinto-Cimicata, and 266 Ontario (collectively, the "**Guarantors**").

9. As general and continuing security for the Loan, HCI was granted various security by 271 Ontario and the Guarantors (the "**Security Documents**" and together with the Commitment, the "**Loan and Security Documents**"). The Security Documents include,

inter alia:

(a) a first-ranking charge granted by 271 Ontario, registered against title to the James Property on November 25, 2019 in the amount of $950,000 in favour of HCI (the "**James Mortgage**");

(b) a second-ranking charge granted by Guerino Matthew Cimicata and Natasha Pinto-Cimicata, registered against title to the Samford Property on November 22, 2019 in the amount of $950,000 in favour of HCI (the "**Samford Mortgage**");

(c) an Assignment of Security and Assignment of Material Contracts and Other Rights granted by 271 Ontario dated November 19, 2019;

(d) a General Security Agreement granted by 271 Ontario dated November 19, 2019 (the "**271 GSA**"); and

(e) a General Security Agreement granted by 266 Ontario dated November 19, 2019.

10. On February 20, 2020, HCI assigned its interest in and under the Loan and Security Documents to Hillmount Mortgage.

The Properties, Project and Business Plan

11. 271 Ontario received construction financing from Transform Industries Inc. ("**Transform**") for the development of the James Property. The James Property is a development of six townhomes constructed on a parcel, the construction of which is not complete (the "**Project**").

12. Hillmount Mortgage understands that some of the completed units are occupied by the purchasers. However, the remaining units have not been severed, and the common-elements condominium for the development has not been registered; until that occurs, the sales of the units cannot be completed. Additionally, the occupancy permit records contain several outstanding deficiencies ~~defenceless~~.

13. In addition to the administrative issues affecting the James Property, 271 Ontario and 266 Ontario's secured creditor, Transform, ceased advancing funds and begun commencing enforcement steps against the James Property resulting in the suspension of all further development on the property.

14. As a result of the administrative issues and Transform's enforcement steps, Hillmount Mortgage is concerned that without the approvals, 271 Ontario will not be able to close on all of its units and therefore are unlikely to satisfy certain conditions precedent to procure sufficient refinancing to repay the Indebtedness in full.

271 Ontario's Defaults

15. Certain events of default have occurred and continue to occur under the Loan and Security Documents. Particularly, 271 Ontario has not made a monthly payment under the Loan since December 1, 2025, has not maintained insurance coverage and has not kept up to date on their realty taxes on the James Property and the Samford Property.

16. These events prom~~o~~pted Hillmount Mortgage to issue a demand letter to 271 Ontario and the Guarantors under the Loan on May 27, 2026 (the "**Demand Letter**") for the repayment of all the Indebtedness. Enclosed with the Demand Letter were two Notices of Intention to Enforce Security (together, the "**NITES**") delivered in accordance with Section 244 of the BIA.

17. Since the issuance of the NITES, Hillmount Mortgage has engaged in discussions with 271 Ontario and the second mortgagee of the James Property, Transform, in an effort to reach agreement on the terms of a potential forbearance agreement. However, concerns arose regarding, among other things, Tarion licensing, builder obligations, purchaser-related risks, and the impact of potential regulatory issues on the completion of the Project.

18. The prescribed 10-day period under the BIA afforded to 271 Ontario to repay the Indebtedness prior to the commencement of any enforcement action elapsed on June 8, 2026.

Deterioration of the James Property

19. At the end of July 2026, HCI engaged Cara Partners Inc. ("**Cara Partners**"), an advisory firm specializing in assisting distressed real estate borrowers to review the development on the James Property and determine what additional steps need to be taken to close on the remaining purchase and sale agreements.

20. Following the investigation, Cara Partners identified various critical life-safety concerns that need to be addressed immediately to protect the health and safety of the occupants residing at the James Property. These "critical life-safety concerns" include:

(a) the elevator shaft openings are not properly blocked off and are readily accessible, posing a life-threatening fall hazard;

(b) some of the balconies have no railings or guards and are being used by residents; and

(c) there is exposed wiring and the presence of smoke and carbon monoxide alarms have not been verified.

21. <u>The Debtor has provided no indication that it intends to address these concerns. Accordingly, Hillmount Mortgage is seeking the urgent appointment of a receiver to ensure that these critical life-safety concerns are addressed and remedied without further delay.</u>

Other Secured Creditors

22. 271 Ontario's second-ranking secured creditor is Transform, which holds a second-ranking charge over the James Property that ranks behind the James Mortgage and a second-ranking general security interest over the properties of 271 Ontario and 266 Ontario.

23. The James Property is subject to a third-ranking charge registered in the amount of $170,000, held by Davor Skoko and Ivana Cosic, who appear to be purchasers of one of the homes on the Project who registered their security to protect their deposit.

Samford Property

24. The Bank of Nova Scotia holds a first-ranking charge against the Samford Property in the registered principal amount of $1,400,000 and the Samford Mortgage is subordinate to the charge.

25. On December 1, 2025, the Corporation of the Town of Oakville registered a certificate for the outstanding taxes owing on the Samford Property in the amount of $45,927.

266 Ontario

26. An equipment financier, Kubota Canada Ltd., registered a financing statement against 266 Ontario in respect of leased motor vehicles.

Appointment of the Receiver

27. 271 Ontario is in default of its obligations under the Loan and Security Documents and is unable to pay the Indebtedness.

28. The Lender has concerns regarding the completion of the Project as a result of, among other things, potential Tarion liabilities and litigation, the status of the expiry and renewal of the builder's licences, the ability to complete the Project while protecting Hillmount Mortgage's security, and Transform's unwillingness to fully participate in the proposed forbearance arrangement.

29. Pursuant to the terms of the Security Documents, ~~the Lender~~ Hillmount Mortgage has a contractual right to appoint a receiver upon the occurrence of default or event of default.

30. The Receiver's appointment is sought on an urgent basis in light of, among other things, the critical life-safety concerns, the events of default, the ongoing financial drain the Lender is experiencing as a result of the Loan and concerns surrounding purchaser disputes, potential litigation and 271 Ontario's ability to complete the Project on the James Property.

31. The receivership proceedings will provide for an orderly, efficient, and transparent marketing and sale of the Property with a view to maximizing recoveries for the benefit of the 271 Ontario's stakeholders.

32. Goldhar & Associates Ltd. ("**Goldhar**") is a "licensed trustee" as such term is defined under the BIA, is qualified to act as the Receiver and has consented to act as the Receiver if so appointed.

Other Grounds

33. section 101 of the *Courts of Justice Act*, RSO 1990, c C.43;

34. sections 243 and 244 of the BIA;

35. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 14.05, 16, 17.02, 38 and 39 of the *Rules of Civil Procedure*, RRO 1990, Reg 194, as amended; and

36. such further and other grounds as counsel may advise and this Honourable Court may permit.

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

37. The Affidavit of Itzhak (Yitz) Levinson to be sworn, with exhibits attached thereto.

38. The consent of Goldhar to act as Receiver.

39. Such further and other materials as counsel may advise and this Honourable Court may permit.

~~July 14, 2026~~

Date: August 27, 2026

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Court File No. CV-26-00001551-0000

HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.

Applicant

-and-

2715573 ONTARIO INC., 2661793 ONTARIO INC., NATASHA PINTO-CIMICATA, and GUERINO MATTHEW CIMICATA

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SUPERIOR COURT OF JUSTICE

Proceedings commenced at MILTON

AMENDED NOTICE OF APPLICATION

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