

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

**2267 INDUSTRIAL STREET INVESTMENTS LTD.,
FRED WEIDNER and MARLENE JOAN DOTZLAW**

Respondents

**MOTION RECORD
(Returnable May 19, 2016)**

May 4, 2016

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
Barristers
155 Wellington Street West
35th Floor
Toronto ON M5V 3H1

Jeffrey Larry (LSUC# 44608D)
Tel: 416.646.4330
Email: jeff.larry@paliareroland.com

Lawyers for Collins Barrow Toronto Limited, in its
capacity as Receiver of the property at 2267 Industrial
Street, Burlington, Ontario

TO: Allan V. Mills, B.Sc., LL.B.
Barrister & Solicitor
15 John Street North
Hamilton, ON, L8R 1H1

Phone: 289-639-2112
Fax: 289-639-2113
Email: avmillslaw@gmail.com

Lawyers for the Execution Creditors

AND: Tannahill, Lockhart & Clark
TO: 5805 Whittle Road, Suite 10
Mississauga, Ontario
L4Z 2J1

Attention: Tyrrell Clark
Phone: (905) 502-5770
Fax: (905) 502-5009
Email: terry@tlcl.ca

Lawyers for Marlene Dotzlaw

AND 2267 INDUSTRIAL STREET INVESTMENTS LTD.
TO: 2248 Kingsmill Crescent
Oakville, Ontario L6M 3X8

Attention: Fred M. Weidner

AND: Fred M. Weidner
TO: 2248 Kingsmill Crescent
Oakville, Ontario L6M 3X8
Email: fred.m.weidner@gmail.com

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

**2267 INDUSTRIAL STREET INVESTMENTS LTD.,
FRED WEIDNER and MARLENE JOAN DOTZLAW**

Respondents

NOTICE OF MOTION

Collins Barrow Toronto Limited, in its capacity as court-appointed receiver of the property municipally known at 2267 Industrial Street, Burlington, Ontario (the "Property") will make a motion to a judge on May 19, 2016 at 10:00 a.m. at Brampton, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order substantially in the form of the Order attached as Schedule "A":
 - (a) Approving the Receiver's conduct and activities to date as described in the Second Report of the Receiver (the "Second Report");
 - (b) approving the Receiver's Statement of Receipts and Disbursements for the period November 12, 2015 to May 3, 2016;

- (c) approving the fees and disbursements of: (i) the Receiver to the date hereof together with the estimated fees and costs to complete the administration of the receivership; (ii) the Receiver's legal counsel, Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") to the date hereof together with the estimated fees and costs to complete the administration of the receivership; and (iii) the Receiver's real estate counsel, Burstein Greenglass LLP ("B&G") to March 11, 2016;
- (d) authorizing and directing the Receiver to distribute to Marlene Joan Dotzlaw ("Dotzlaw"), after payment of all costs and professional fees in connection with the administration of the receivership and the Property, the remaining funds in the Receiver's possession;
- (e) discharging the Receiver subject to completion of certain remaining activities described later in this Second Report and the filing of a certificate (the "Receiver's Certificate") with the Court; and
- (f) releasing the Receiver from any and all liability that the Receiver now has or may hereafter have by reason of or in any way arising out of matters that were raised, or could have been raised in the within receivership proceeding.

THE GROUNDS FOR THE MOTION ARE:

1. By Order of the Ontario Superior Court of Justice dated November 12, 2015 (the "Receivership Order"), Collins Barrow Toronto Limited was appointed Receiver of the Property.
2. The Receiver listed the Property for sale and received six offers to sell the Property.
3. The Receiver entered into an agreement of purchase and sale to sell the Property to the highest bidder.
4. On February 26, 2016, this Court approved, among other things, the sale of the Property. The sale closed on March 1, 2016.
5. Following the sale, the Receiver paid First Source Mortgage Corporation ("First Source") the amount of \$531,044.57, representing payment in full of 2267's indebtedness to First Source.
6. After the payment to First Source, the second mortgagee, Dotzlaw, has a priority claim to the remaining net proceeds from the sale.
7. The Receiver has completed the administration of its duties respecting the Property subject only to a few remaining activities described in the Second Report.
8. It is now appropriate that the Receiver be discharged.

General

9. The facts as set out in the Second Report and the Appendices thereto.
10. The Receivership Order.
11. The provisions of the *Bankruptcy and Insolvency Act* and the *Courts of Justice Act*.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

12. The Second Report of the Receiver dated May 3, 2016 and the Appendices thereto; and
13. Such further and other evidence as counsel may advise and this Honourable Court may permit;

May 4, 2016

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
Barristers
155 Wellington Street West
35th Floor
Toronto ON M5V 3H1

Jeffrey Larry (LSUC# 44608D)
Tel: 416.646.4330
Email: jeff.larry@paliareroland.com

Lawyers for Collins Barrow Toronto Limited, in its capacity as Receiver of the property at 2267 Industrial Street, Burlington, Ontario

Schedule "A"

Court File No. CV-15-4228-00

ONTARIO

SUPERIOR COURT OF JUSTICE

THE HONOURABLE
JUSTICE

)
)
)

THURSDAY, THE
19th DAY OF MAY, 2016

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

**2267 INDUSTRIAL STREET INVESTMENTS LTD.,
FRED WEIDNER and MARLENE JOAN DOTZLAW**

Respondents

DISCHARGE ORDER

THIS MOTION, made by Collins Barrow Toronto Limited ("Collins Barrow"), in its capacity as court-appointed receiver of the property municipally known as 2267 Industrial Street, Burlington, Ontario (the "Property") for an order:

- A. approving the activities of the Receiver as set out in the second report of the Receiver dated May 3, 2016 (the "Second Report");
- B. approving the Receiver's Statement of Receipts and Disbursements;
- C. approving the fees and disbursements of the Receiver and its counsel;

- D. approving the distribution of the remaining proceeds from the sale of the Property;
- E. discharging Collins Barrow as Receiver of the Property; and
- F. releasing Collins Barrow from any and all liability, as set out below,

was heard this day at Brampton Ontario.

ON READING the Second Report, the affidavits of the Receiver and its counsel as to fees (the "Fee Affidavits"), and on hearing the submissions of counsel for the Receiver, no one else appearing although served,

1. THIS COURT ORDERS that the activities of the Receiver and the Receiver's Statement of Receipts and Disbursements, as set out in the Second Report, are hereby approved, including the total estimated amount of up to \$6,254.55 to complete the administration of the Property.
2. THIS COURT ORDERS that, after payment of the Professional Fees, the Receiver shall pay the monies remaining in its possession to Marlene Joan Dotzlaw ("Dotzlaw").
3. THIS COURT ORDERS that upon the Receiver filing with this court a certificate substantially in the form appended hereto as Schedule 1, certifying that it has paid all earned Professional Fees and the balance to Dotzlaw, the Receiver shall be discharged as Receiver of the Property provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding.
4. THIS COURT ORDERS AND DECLARES that Collins Barrow, together with its directors, officers, employees and agents are hereby released and discharged from any and all liability that they now have or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Collins Barrow while acting in its capacity as

Receiver herein save and except for issues arising from gross negligence or wilful misconduct. Without limiting the generality of the foregoing, Collins Barrow is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for issues arising from gross negligence or wilful misconduct.

Schedule 1 – Form of Receiver’s Certificate

Court File No. CV-15-4228-00

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

**2267 INDUSTRIAL STREET INVESTMENTS LTD.,
FRED WEIDNER and MARLENE JOAN DOTZLAW**

Respondents

RECEIVER’S DICHARGE CERTIFICATE

A. By Order of the Ontario Superior Court of Justice dated November 12, 2015 (the “Receivership Order”), Collins Barrow Toronto Limited was appointed receiver and manager (the “Receiver”) of the Property.

B. Pursuant to an Order of the Court dated May 19, 2016 (the “Discharge Order”), the Court provided for the discharge of the Receiver upon certification that it has made the payments approved by the Discharge Order (the “Report”).

THE RECEIVER CERTIFIES it has made all payments approved by the Discharge Order.

**COLLINS BARROW TORONTO LIMITED,
in its capacity as Receiver Of 2267
Industrial Street, Burlington, Ontario, and
not in its personal capacity**

Per: _____

Name:

Title:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

vs.

2267 INDUSTRIAL STREET INVESTMENTS LTD., et al.

Respondents

Court File No. CV-15-4228-00

**ONTARIO
SUPERIOR COURT OF JUSTICE**
Proceedings commenced at
BRAMPTON

NOTICE OF MOTION

**PALIARE ROLAND ROSENBERG
ROTHSTEIN LLP**

Barristers
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1

Jeff Larry (LSUC No. 44608D)

Tel: (416) 646-4300

Fax: (416) 646-4301

Lawyers for Collins Barrow Toronto Limited
in its capacity as receiver of the property at
2267 Industrial Street, Burlington, Ontario

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

2267 INDUSTRIAL STREET INVESTMENTS LTD.,

FRED WEIDNER and MARLENE JOAN DOTZLAW

Respondents

SECOND REPORT OF THE RECEIVER AND MANAGER OF

2267 INDUSTRIAL STREET, BURLINGTON, ONTARIO

May 3, 2016

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INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated November 12, 2015 (the “**Appointment Order**”), Collins Barrow Toronto Limited was appointed receiver and manager (the “**Receiver**”), without security, of the lands and premises known as 2267 Industrial Street, Burlington, Ontario (the “**Property**”). The Appointment Order, among other things, authorized the Receiver to market and sell the property and apply for a vesting order or other orders necessary to convey the Property to a purchaser thereof, free and clear of any liens and encumbrances affecting the Property. A copy of the Appointment Order is attached hereto as Appendix “**A**”.
2. By Order of the Court dated February 26, 2016 (the “**Sale Approval and Interim Distribution Order**”), the Court, *inter alia*, approved: (i) the sale of the Property to Bilnia Investments Ltd., in trust for a company to be named; (ii) the payment of real estate commissions on the sale and other expenses in respect of the Property; (iii) a distribution to the first secured lender up to the amount of its secured indebtedness; (iv) the Receiver’s first report to the Court dated February 16, 2016 (the “**First Report**”) and the Receiver’s activities set out therein; and (v) the fees and disbursements of the Receiver and its counsel to the period ended February 12, 2016 and February 15, 2016, respectively. Copies of the Sale Approval and Interim Distribution Order and the Receiver’s First Report, without exhibits, are attached hereto as Appendix “**B**” and Appendix “**C**”, respectively.
3. The sale of the Property closed on March 1, 2016.
4. The Appointment Order together with related Court documents have been posted on the Receiver’s website, which can be found at <http://www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/2267-industrial-street-burlington-ontario>.

Purpose of Second Report

5. The purpose of this second report of the Receiver (the "**Second Report**") is to:
- (a) report to the Court on the activities of the Receiver since the date of the First Report;
 - (b) seek the Court's approval of the Receiver's conduct and activities to date;
 - (c) provide the Court with the Receiver's statement of cash receipts and disbursements for the period November 12, 2015 to May 3, 2016;
 - (d) seek an order approving the fees and disbursements of: (i) the Receiver to the date hereof, together with the estimated fees and costs to complete the administration of the receivership; (ii) the Receiver's legal counsel, Paliare Roland Rosenberg Rothstein LLP ("**Paliare Roland**") to the date hereof, together with the estimated fees and costs to complete the administration of the receivership; and (iii) the Receiver's real estate counsel, Burstein Greenglass LLP ("**B&G**") to March 11, 2016;
 - (e) seek an Order authorizing and directing the Receiver to distribute to Marlene Joan Dotzlaw ("**Dotzlaw**"), after payment of all costs and professional fees in connection with the administration of the receivership and the Property, the remaining funds in the Receiver's possession;
 - (f) request that the Court discharge the Receiver subject to completion of certain remaining activities described later in this Second Report and the filing of a certificate (the "**Receiver's Certificate**") with the Court by the Receiver in the form attached hereto as Appendix "**D**"; and
 - (g) upon the discharge of the Receiver as provided for above, request that the Court forever release the Receiver from any and all liability that the Receiver now has or may hereafter have by reason of or in any way arising out of matters that were raised, or could have been raised in the within receivership proceeding.

Terms of Reference

6. In preparing this Second Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the “**Information**”). Certain of the information contained in this Second Report may refer to, or is based on, the Information. As the Information has been provided by other parties, or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
7. Capitalized terms not otherwise defined in this Second Report are defined in the Appointment Order, the Sale Approval and Interim Distribution Order and the First Report.
8. Unless otherwise stated, all dollar amounts contained in the Second Report are expressed in Canadian dollars.

BACKGROUND

9. Details regarding the Property, the circumstances leading up to the appointment of the Receiver, appraisals of the property obtained by the Receiver, the Receiver’s marketing activities and offers received in respect of the Property are set out in the First Report (Appendix C).

Secured Lenders

10. As set out in the First Report, First Source Mortgage Corporation (“**First Source**”) advanced \$450,000 to 2267 in May 2013 pursuant to the First Source Mortgage. The security held by First Source was in priority to the security held by Dotzlaw. Pursuant to

the Sale Approval and Interim Distribution Order, the Receiver obtained a statement from First Source setting out the total amount owed to it, which totaled \$531,044.57 as at February 29, 2016. The Receiver has paid this amount to First Source in full repayment of 2267's indebtedness to First Source.

11. As further set out in the First Report, Dotzlaw is a secured creditor and lender to 2267. The Receiver understands that Dotzlaw advanced \$150,000, pursuant to the Dotzlaw Mortgage, to 2267 in or about November 2013, with the loan secured by a second mortgage on the Property. As at the date of the First Report, the Receiver had not requested that Dotzlaw provide evidence of her advances to 2267 in respect of the Dotzlaw Mortgage.
12. Since the filing of the First Report, the Receiver obtained evidence of Dotzlaw's advances to 2267 and has received a legal opinion from Paliare Roland (the "**Legal Opinion**") that, subject to the assumptions and qualifications contained in Paliare Roland's opinion letter, the security over the Property granted in favour of Dotzlaw pursuant to her mortgage is valid and enforceable against the Property in accordance with its terms. A copy of the Legal Opinion is attached hereto as Appendix "E".
13. The Receiver is not aware of any liens or charges registered against the Property other than the first and second mortgages described above and an execution filed July 31, 2015 in the amount of \$22,596.90 in favour of Painting Canada Inc. and Braniff Intercity Glass Ltd., as further described in the Legal Opinion.

RECEIVER'S ACTIVITIES TO DATE

14. A summary of the Receiver's activities since the date of the First Report are set out below:
 - re-attending at the Property on two occasions with roofing professionals to deal with leaks identified by the purchaser of the Property;

- finalizing and signing the First Report and sending same to Paliare Roland for service;
- posting the Receiver's First Report, Factum and Book of Authorities on the Receiver's website pursuant to the e-service protocol;
- reviewing and providing comments to the Receiver's real estate counsel, B&G, on closing documents in respect of the transaction for the sale of the Property;
- executing all required documents and closing the sale of the Property;
- corresponding and discussing with the purchaser of the Property various matters related to the Property, including payment of taxes, utilities, rent payable by tenants and a vehicle abandoned on the Property;
- facilitating payment of all expenses related to the Property and distributing amounts in accordance with the Sale Approval and Interim Distribution Order;
- cancelling the Receiver's insurance coverage over the Property;
- reviewing Paliare Roland's security opinion on the Dotzlaw Mortgage;
- drafting and finalizing the Receiver's Second Report; and
- attending to all other administrative matters with respect to the receivership proceeding, including supervision, meetings, telephone attendances, and written and verbal correspondence to effect the forgoing.

RECEIVER'S FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS

15. Attached as Appendix "F" is the Receiver's Final Statement of Receipts and Disbursements ("R&D") for the period November 12, 2015 to May 3, 2016. During this period, receipts were \$786,203 and disbursements were \$149,152, resulting in a net cash balance on hand as at May 3, 2016, after consideration of the \$531,045 payment to First Source, of \$106,006.

PROFESSIONAL FEES

16. The Receiver's accounts total \$10,295.00 in fees and \$161.07 in disbursements plus HST of \$1,359.29 for a total amount of \$11,815.36 from February 13, 2015 to May 2, 2016,

plus an accrual of \$4,237.50 (including HST) for estimated fees to be incurred by the Receiver to complete the administration of the receivership (the “**Receiver’s Accounts**”). A copy of the Receiver’s Accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Arif Dhanani sworn May 3, 2016 that is attached as Appendix “**G**”.

17. The accounts of the Receiver’s counsel, Paliare Roland, total \$10,594.87 inclusive of all fees, disbursements and HST (the “**Paliare Roland Accounts**”) for the period from February 15, 2016 to April 29, 2016. A copy of the Paliare Roland Accounts, together with a summary of the personnel, hours and hourly rates described in the Paliare Roland Accounts, supported by the Affidavit of Sarita Sanasie sworn May 3, 2016 is attached as Appendix “**H**”.
18. The accounts of the Receiver’s real estate counsel, B&G, total \$16,907.70 in fees and disbursements and \$2,180.85 in HST for a total of \$19,088.55 (the “**B&G Accounts**”) for the period ended March 11, 2016. A copy of the B&G Accounts is attached to the Affidavit of Sarita Sanasie at Appendix H.

Estimated Fees and Costs to Complete the Wind-up of the Receivership Administration

19. The Receiver anticipates that the fees and costs to complete and finalize the receivership administration will be approximately \$6,254.55, inclusive of applicable taxes. A summary of these fees and costs is as follows:

Description	Amount
Receiver's fees and costs to finalize matters and wind-up the receivership, including, among other things, completing and filing the Receiver's final harmonized sales tax ("HST") return, corresponding with Canada Revenue Agency ("CRA") to close the Receiver's HST account, distributing the balance of funds on hand to Dotzlaw and turnover any HST refund cheque received from CRA to Dotzlaw.	\$4,237.50
Paliare Roland's fees to finalize and wind-up the engagement and file the Receiver's Certificate with the Court.	\$2,017.05
Total	\$6,254.55

20. The estimated fees and costs to complete the wind-up of the Receivership will increase if the discharge motion is contested or appealed.
21. As set out below, the Receiver proposes to pay to Dotzlaw the remaining funds in the Receiver's possession, including any HST refund received from CRA, after payment of the Receiver and Paliare Roland's fees and disbursements.

Remaining Tasks

22. The remaining tasks (the "**Remaining Tasks**") to be completed by the Receiver are set out below:
- (a) prepare and file with CRA the Receiver's final HST return;
 - (b) distribute the funds in the Receiver's possession, as set out in this Second Report; and
 - (c) prepare and file the Receiver's Final Report, pursuant to S.246(3) of the Bankruptcy and Insolvency Act.
23. Once the Receiver has completed the Remaining Tasks the Receiver intends to file with the Court the Receiver's Certificate indicating that the Receiver has completed the Remaining Tasks.

FINAL DISTRIBUTION

24. As previously discussed, Paliare Roland has provided its opinion that the security over the Property granted in favour of Dotzlaw pursuant to her mortgage is valid and enforceable against the Property in accordance with the mortgage's terms.
25. Dotzlaw's counsel has provided a mortgage discharge statement as at April 1, 2016 (the "**Dotzlaw Discharge Statement**"), which sets out that Dotzlaw and her counsel are collectively owed a total of \$168,441 as at that date. A copy of the Dotzlaw Discharge Statement is attached hereto as Appendix "I".
26. Following payment of the professional fees, including the Receiver's Accounts and Paliare Roland's Accounts, the Receiver proposes to pay to Dotzlaw the remaining funds in the Receiver's possession.
27. The Receiver will complete the final HST return and submit it to CRA. The Receiver proposes to endorse any HST refund cheque received from CRA to be payable to Dotzlaw. At this time, the Receiver estimates that the potential HST refund will be approximately \$16,000.
28. Based on the Dotzlaw Discharge Statement and the balance currently on hand in the Receiver's bank account of \$106,006 and the estimated HST refund of approximately \$16,000, the Dotzlaw mortgage will not be fully repaid.

REQUESTS OF THE COURT

29. The Receiver respectfully requests that the Court grant an Order which provides for the following:
 - i) approving the R&D;

- ii) approving the Receiver's conduct and activities since the date of the Receiver's First Report, to date;
- iii) approving the fees and disbursements of: (i) the Receiver to May 2, 2016 and the estimated fees to complete the administration of the receivership; (ii) Paliare Roland to April 29, 2016 and the estimated fees to complete the administration of the receivership; and (iii) B&G to March 11, 2016;
- iv) authorizing and directing the Receiver to distribute to Dotzlaw the funds remaining in the Receiver's possession, including any HST refund received from CRA, after payment of all Professional Fees;
- v) approving the Receiver's discharge upon the Receiver filing the Receiver's Certificate; and
- vi) upon completion of its duties and filing of the Receiver's Certificate, releasing the Receiver from any and all liability that the Receiver now has or may hereafter have by reason of or in any way arising out of matters that were raised, or could have been raised in the within receivership proceeding.

All of which is respectfully submitted to this Court as of this 3rd day of May, 2016.

COLLINS BARROW TORONTO LIMITED
 In its capacity as Court Appointed Receiver
 of 2267 Industrial Street, Burlington, Ontario
 and not in its personal capacity

Per: 

Daniel Weisz, CPA, CA, CIRP, LIT
 Senior Vice-President

APPENDIX A

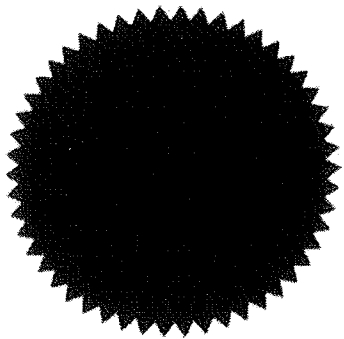
ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE
JUSTICE SNOWIE

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THURSDAY, THE 12th DAY
OF NOVEMBER, 2015.

BETWEEN:



FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

2267 INDUSTRIAL STREET INVESTMENTS LTD.,
FRED WEIDNER and MARLENE JOAN DOTZLAW

Respondents

ORDER

THE WITHIN APPLICATION made by the Applicant for relief pertaining to the Mortgage held by the Applicant over the lands and premises municipally known as 2267 Industrial Street, Burlington, Ontario (the "Mortgaged Premises) and which lands and premises are more particularly described in Schedule "A" to this Order was heard this day at Brampton, Ontario.

ON READING the Affidavit of David Mandel, filed, and on hearing the submissions of counsel for the Applicant:

1. THIS COURT ORDERS that pursuant to Section 101 of the *Courts of Justice Act* and Rule 41 of the *Rules of Civil Procedure*, Collins Barrow

Toronto Limited be and the same is hereby appointed Receiver and Manager without security of the Mortgaged Premises.

2. **THIS COURT ORDERS** that, subject to the terms of this Order and any further Order of the Court:

- (a) the Receiver may, but shall not be deemed or obligated to, take possession of, exercise control over, operate or manage the Mortgaged Premises or any business or affairs of the owner of the Mortgaged Premises, and
- (b) the Receiver shall undertake the marketing and sale of the Mortgaged Premises.

3. **THIS COURT ORDERS** that in the event the Receiver wishes possession of the Mortgaged Premises, the Respondent 2267 Industrial Street Investments Ltd. shall deliver possession of the Mortgaged Premises to the Receiver and the Receiver is entitled to receive and collect all rental income being generated from the Mortgaged Premises. In that regard, the Receiver shall have and leave is hereby granted for the issuance of a Writ of Possession against the Respondents.

4. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to take such action as it deems necessary or desirable in furtherance of the marketing and sale of the Mortgaged Premises and, without in any way limiting the generality of the foregoing, the Receiver may:

- (a) market the Mortgaged Premises, with or without advertising, and solicit offers in respect of the Mortgaged Premises and negotiate terms and conditions of sale;

- (b) sell, convey, transfer, lease or assign the Mortgaged Premises out of the ordinary course of business with the approval of this Court;
- (c) take physical inventories of any inventory or thing found on the Mortgaged Premises and retain security personnel and place such insurance coverage with respect to the Mortgaged Premises as may be necessary or desirable;
- (d) apply for any Vesting Order or other Orders necessary to convey the Mortgaged Premises to a purchaser thereof, free and clear of any Liens or encumbrances affecting the Mortgaged Premises;
- (e) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise in powers and duties conferred by this Order;
- (f) execute, assign, issue and endorse documents of whatever nature in respect of the Mortgaged Premises, in the Receiver's name for any purpose pursuant to this Order;
- (g) undertake environmental and such other assessments, reviews and investigation of the Mortgaged Premises and operations as the Receiver deems necessary or advisable;
- (h) report to, meet with and discuss with the Applicant and the advisors of the Applicant as the Receiver deems appropriate on all matters relating to the marketing and sale of the Mortgaged Premises;
- (i) register a copy of this Order and any other Orders in respect of the Mortgaged Premises against title;

(j) take any steps reasonably incidental to the exercise of these powers;

and in each case where the Receiver takes any such actions or steps it shall be exclusively authorized and empowered to do so, to the exclusion of all other persons, including the Parties to this Application and without interference from any other Person.

5. **THIS COURT ORDERS** that the Respondents and any other person acting on the instructions of the Respondents shall grant the Receiver and its designees (including without limitation any prospective purchaser of the Mortgaged Premises, provided that they are in the presences of a representative of the Receiver) immediate and continued access to the Mortgaged Premises for the purposes of the marketing and selling of the Mortgaged Premises.

6. **THIS COURT ORDERS** that no proceeding, enforcement process, or extra judicial proceeding or other tribunal (each a "Proceeding") shall be commenced or continued against the Receiver, except with the written consent of the Receiver or with leave of this Court obtained on Motion brought on at least seven (7) days notice to the Receiver.

7. **THIS COURT ORDERS** that no proceeding against or in respect of the Mortgaged Premises shall be commenced or continued, except with the written consent of the Receiver or with leave of this Court obtained on Motion brought on at least seven (7) days notice to the Receiver and the Applicant and any and all Proceedings currently under way in respect of the Mortgaged Premises are hereby stayed and suspended pending further Order of this Court.

8. **THIS COURT ORDERS** that all funds, monics, cheques, instruments and other forms of payments received or collected by the Receiver ("Receipts") from and after the making of this Order from any source whatsoever, including without limitation a sale of the Mortgaged Premises shall be

deposited into one or more new accounts to be opened by the Receiver and shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

9. **THIS COURT ORDERS** that nothing herein contained shall require or obligate the Receiver to occupy or to take control, care, charge, occupation, possession or management of the Mortgaged Premises which may be environmentally contaminated or might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other legislation, statute, regulation or rule of law or equity respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination, including, without limitation, the Canadian *Environmental Protection Act*, the Ontario *Environmental Protection Act*, the Ontario *Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation") provided, however, that the Receiver shall promptly advise the Ontario Ministry of the Environment of any obvious or known environmental condition existing on the Mortgaged Premises in accordance with applicable Environmental Legislation. Specifically, this Court orders that the Receiver may sell the Mortgaged Premises in an "as is" condition. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in possession of any of the property within the meaning of any Environmental Legislation, unless it is actually in possession.

10. **THIS COURT ORDERS** that any expenditure or liability which shall be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the normal rates and charges of the Receiver and its counsel shall be allowed to it in the passing of its accounts and shall form a First Charge on the Mortgaged Premises and in priority to all security interest, trusts, Liens, Charges and encumbrances, statutory or otherwise, in favour of any person.

11. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their accounts from time to time and for this purpose, the accounts of the Receiver and its legal counsel are referred to a Judge of the Ontario Superior Court of Justice at Brampton.
12. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty, from time to time, to apply reasonable amounts out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by the Court.
13. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, provided further that the liability of the Receiver hereunder, save and except for gross negligence or wilful misconduct (the "Receiver's Liabilities") shall not in event exceed the net realizable value of the Mortgaged Premises. The net realizable value of the Mortgaged Premises shall be the proceeds realized from the disposition of the Mortgaged Premises after the remuneration and disbursements of the Receiver and any and all costs incurred by the Receiver in conjunction with the completion of any sale of the Mortgaged Premises.
14. **THIS COURT ORDERS** that in addition to the protections provided to the Receiver by the terms of this Order, Collins Barrow Toronto Limited shall have all protections afforded to a Trustee by Section 14.06 of the *Bankruptcy and Insolvency Act* and by any other applicable legislation.
15. **THIS COURT ORDERS** that the Receiver, the parties and all interested persons may, from time to time, apply to this Court for advice and directions

in connection with the discharge of the Receiver's powers and duties hereunder.

16. **THIS COURT ORDERS** that the Respondent 2267 Industrial Street Investments Ltd. shall pay the costs of this Application to the Applicant fixed in the sum of \$ 4,915.19 *pl*

17. **THIS COURT ORDERS** that the balance of the relief requested in the Notice of Application, which is not disposed of by this Order, is adjourned *sine die* to be brought on, on seven days notice.

pl

THIS ORDER bears interest on the sum of 4,915.19 (costs) at the rate of 2% per annum commencing on the 12th day of November, 2015.

[Handwritten Signature]

ENTERED
AT BRAMPTON
NOV 12 2015
BOOK No. 73-63
INITIALS *pl*

SCHEDULE "A"**Legal Description**

PIN 07134 – 0007 LT

Lot 6, Plan 652;
Subject to 526597
City of Burlington

Address: 2267 Industrial Street
Burlington, Ontario

FIRST SOURCE MORTGAGE CORPORATION
Applicant

and

2267 INDUSTRIAL STREET INVESTMENTS LTD. et al
Respondents

(Short title of proceeding)

Court File No. CV-15-4228-00

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Brampton

ORDER

BURSTEIN & GREENGLASS LLP
Barristers and Solicitors
Suite 200
7481 Woodbine Avenue
Markham, Ontario, L3R 2W1

Martin Greenglass
LSUC #15624U
Tel: 905-475-1266
Fax: 905-475-7851

Lawyers for the Applicant

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APPENDIX B

Court File No. CV-15-4228-00

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE
JUSTICE *FRAGOMENI*

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)
)

FRIDAY, THE 26th
DAY OF FEBRUARY, 2016

BETWEEN:



FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

**2267 INDUSTRIAL STREET INVESTMENTS LTD.,
FRED WEIDNER and MARLENE JOAN DOTZLAW**

Respondents

ORDER

THIS MOTION made by Collins Barrow Toronto Limited in its capacity as the court-appointed receiver (the "Receiver") of the lands and premises municipally known as 2267 Industrial Street, Burlington, Ontario (the "Property"), as more particularly described in Schedule "A" hereto, for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and Bilnia Investments Limited, in trust for a company to be named (the "Purchaser") dated February 3, 2016, and vesting in the Purchaser all of 2267 Industrial Street Investments Ltd. (the "Debtor")'s right, title and interest in and to the Property, was heard this day at Brampton, Ontario.

ON READING the first report of the Receiver dated February 16, 2016 (the "**First Report**"), which attaches thereto the Sale Agreement, and on hearing the submissions of counsel for the Receiver and any other stakeholder attending;

1. THIS COURT ORDERS AND DECLARES that the service of the Notice of Motion and Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved and the execution by the Receiver of the Sale Agreement and the listing agreement with DTZ Canada Inc. ("**DTZ**") made December 7, 2015 (the "**Listing Agreement**") is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Property to the Purchaser.
3. THIS COURT ORDERS AND DECLARES that the First Report, and the activities of the Receiver set out therein, are hereby approved.
4. THIS COURT ORDERS AND DECLARES that the Receiver's Statement of Receipts and Disbursements in respect of the Property, as set out in the First Report, is hereby approved.
5. THIS COURT ORDERS AND DECLARES that the fees and disbursements of the Receiver and its counsel to the period ended February 12, 2016 and February 15, 2016, respectively, as set out in the fee affidavits attached to the First Report (the "**Fee Affidavits**"), be and are hereby approved.
6. THIS COURT ORDERS that upon the registration in the Land Registry Office of a Transfer/Deed in the form prescribed by the *Land Titles Act* duly authorized by the Receiver in favour of the Purchaser or such person or persons as the Purchaser may direct and with such Transfer/Deed being in furtherance of the Sale Agreement for which court approval is hereby granted (the "**Closing**"), such Transfer/Deed shall vest

title of the Property in the transferee identified in the Transfer/Deed free and clear of all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Order of the Honourable Justice Snowie dated November 12, 2015;
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system;
- (c) any execution creditor;
- (d) those Claims listed on Schedule "B" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "C")

and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Property are hereby expunged and discharged as against the Property.

7. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property shall stand in the place and stead of the Property, and that from and after the Closing, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Property with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. THIS COURT ORDERS AND DECLARES that the Receiver is authorized and directed to pay from the proceeds of sale of the Property the following:

- (a) to DTZ, the real estate commissions contemplated in the Listing Agreement;
- (b) any and all arrears of taxes, water or other utilities as may be owing in connection with the Property to the date of Closing;
- (c) the fees of the Receiver and counsel described in the Fee Affidavits; and
- (d) to First Source Mortgage Corporation ("**First Source**"), an amount up to the amount of the secured indebtedness owed to First Source after payment of the items set forth in sub-paragraphs (a) to (c) above;

9. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

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

12. THIS COURT ORDERS that Appendices "E", "G", and "H" to the First Report be and are hereby sealed and treated as confidential pending the Closing or further order of the Court.

13. THIS COURT ORDERS that a copy of the within Order may be registered against title to the Property.

[Handwritten signature]

ENTERED
AT BRAMPTON
FEB 26 2016
BOOK NO. 73-03
INITIALS

1728871v2

SCHEDULE "A"

Lot 6, Plan 652, being Parts 1 and 2 of Reference Plan 20R-19726, subject to an easement as set forth in Instrument No.526597.

Schedule B – Claims to be deleted and expunged from title to Property

Instrument Type	Amount	Parties From	Parties To
Charge	\$450,000	2267 Industrial Street Investments Ltd.	First Source Mortgage Corporation
No Assign Rent Gen – HR1100234		2267 Industrial Street Investments Ltd.	First Source Mortgage Corporation
Charge	\$150,000	2267 Industrial Street Investments Ltd.	Dotzlaw, Marlene Joan
Postponement to HR1100234		Dotzlaw, Marlene Joan	First Source Mortgage Corporation

**Schedule C – Permitted Encumbrances, Easements and Restrictive
Covenants related to the Property**

Instrument No. 119980	Jan. 25, 1961	By-Law
Instrument No. 485650	Aug. 15, 1978	Municipal Agreement
Instrument No. 526597	July 21, 1980	Transfer of Easement
Instrument No. 20R19726	Nov. 8, 2013	Reference Plan
Instrument No. HR1145919	Nov. 8, 2013	Application to convert lands to Land Titles Absolute
Instrument No. HR1329779	Jan. 15, 2016	Registration of Court Order appointing Collins Barrow as Receiver

FIRST SOURCE MORTGAGE
CORPORATION

vs.

2267 INDUSTRIAL STREET INVESTMENTS
LTD., et al.

Court File No. CV-15-4228-00

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceedings commenced at
BRAMPTON

APPROVAL AND VESTING ORDER

PALIARE ROLAND ROSENBERG
ROTHSTEIN LLP
Barristers
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1

Jeff Larry (LSUC No. 44608D)
Tel: (416) 646-4330
Fax: (416) 646-4301
Email: jeff.larry@paliareroland.com

Lawyers for Collins Barrow Toronto Limited
in its capacity as Receiver of the property
2267 Industrial Street, Burlington, Ontario

APPENDIX C

Court File No. CV-15-4228-00

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

**2267 INDUSTRIAL STREET INVESTMENTS LTD.,
FRED WEIDNER and MARLENE JOAN DOTZLAW**

Respondents

**FIRST REPORT OF THE RECEIVER AND MANAGER OF
2267 INDUSTRIAL STREET, BURLINGTON, ONTARIO**

February 16, 2016

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R&D I

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Affidavit of Arif Dhanani K

Affidavit of Lindsay Scott L

INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated November 12, 2015 (the “**Appointment Order**”), Collins Barrow Toronto Limited (“**CBTL**”) was appointed receiver and manager (the “**Receiver**”), without security, of the lands and premises known as 2267 Industrial Street, Burlington, Ontario (the “**Property**”). A copy of the Appointment Order is attached hereto as Appendix “**A**”.

2. The Appointment Order (i) authorized, but did not obligate or deem the Receiver to take possession of, exercise control over, operate or manage the Property or any business or affairs of the owner of the Property and (ii) required the Receiver to undertake the marketing and sale of the Property.

3. In addition, the Receiver was expressly empowered and authorized to, among other things:
 - (a) market the Property, with or without advertising, and solicit offers in respect of the Property and negotiate terms and conditions of sale;
 - (b) sell, convey, transfer, lease or assign the Property out of the ordinary course of business with the approval of the Court;
 - (c) apply for any vesting order or other Orders necessary to convey the Property to a purchaser thereof, free and clear of any liens or encumbrances affecting the Property;
 - (d) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise in powers and duties conferred by the Appointment Order; and
 - (e) register a copy of the Appointment Order and any other Orders in respect of the Property against title.

4. The Appointment Order together with related Court documents have been posted on the Receiver’s website, which can be found at

<http://www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/2267-industrial-street-burlington-ontario>.

Purpose of First Report

5. The purpose of this first report of the Receiver (the “**First Report**”) is to:
- (a) provide the Court with background information on the Property, the appointment of the Receiver and the mortgages registered against the Property;
 - (b) inform the Court of information requested by the Receiver, from the principal of 2267 Industrial Street Investments Ltd. (“**2267**”), Fred Weidner (“**Weidner**”), one of the Respondents in this action, which information requests have not been responded to;
 - (c) report to the Court on the activities of the Receiver since the date of its appointment to February 12, 2016;
 - (d) provide to the Court details of the Receiver’s marketing activities leading to the receipt of offers for the Property;
 - (e) provide to the Court details of the two appraisals of the Property obtained by the Receiver;
 - (f) seek an order authorizing and directing the Receiver to enter into and carry out the terms of the agreement of purchase and sale in connection with the sale of the Property between the Receiver and Bilnia Investments Ltd., in trust for a company to be named (“**Bilnia**” or the “**Purchaser**”), dated February 3, 2016 together with amendments thereto (the “**APS**”), together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Property in the Purchaser, or as it may further direct in writing, upon the closing of the purchase and sale transaction contemplated in the APS (the “**Closing**”);
 - (g) seek an Order approving the entering by the Receiver into the listing agreement with DTZ Canada Inc. (“**DTZ**”) in connection with the sale of the Property and the payment to DTZ of commissions contemplated in the listing agreement;

- (h) seek an order sealing Appendices E, G and H to the First Report;
- (i) provide the Court with a summary of the Receiver’s cash receipts and disbursements for the period November 12, 2015 to February 12, 2016;
- (j) seek an Order authorizing and directing the Receiver to distribute to First Source Mortgage Corporation (“**First Source**”), after payment of all costs and professional fees in connection with the administration of the receivership, the Property and its sale, an amount equal to, but not exceeding, 2267’s indebtedness to First Source (the “**2267 Indebtedness**”);
- (k) seek the Court’s approval of the Receiver’s conduct and activities to February 12, 2016; and
- (l) seek an order approving the fees and disbursements of the Receiver and of the Receiver’s legal counsel, Paliare Roland Rosenberg Rothstein LLP (“**Paliare Roland**”) to February 15, 2016.

Terms of Reference

6. In preparing this First Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the “**Information**”). Certain of the information contained in this First Report may refer to, or is based on, the Information. As the Information has been provided by other parties, or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

7. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

BACKGROUND AND APPOINTMENT OF RECEIVER

- 8. The Property is an industrial complex comprising approximately 13,000 square feet. The Property consists of 10 rentable units of which 6 are currently being rented.
- 9. 2267 purchased the Property in May 2013 for a purchase price of \$700,000.
- 10. On the date that 2267 acquired title to the Property, First Source registered a mortgage against the Property in the amount of \$450,000 (the **"First Source Mortgage"**), which mortgage came due on June 1, 2015. In addition, 2267 granted further security in favour of First Source by way of a general assignment of rents. On May 15, 2013, First Source registered against the Property both the First Source Mortgage and the general assignment of rents.
- 11. On November 2013, a second mortgage in the amount of \$150,000 was registered against the Property (the **"Dotzlaw Mortgage"**) by Marlene Joan Dotzlaw (**"Dotzlaw"**).
- 12. Following the expiry of the First Source Mortgage, on July 7, 2015, First Source's solicitor wrote to 2267 demanding payment of the First Source Mortgage and included Notices of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* (the **"BIA"**) as well as the *Farm Debt Mediation Act*.
- 13. On July 29, 2015, First Source issued a Notice of Sale Under Mortgage.
- 14. On November 12, 2015, First Source made an application for the appointment of a receiver/manager in respect of the Property. As set out previously herein, on that day, the Court made an Order appointing the Receiver.

Secured Lenders

- 15. As set out above, First Source advanced \$450,000 to 2267 in May 2013 pursuant to the First Source Mortgage. As at November 13, 2015, First Source was owed \$466,402 in respect of its advances to 2267. As at February 11, 2016, First Source was owed

\$529,158. First Source's statement of account as at February 11, 2016 is attached hereto as Appendix "B".

16. Dotzlaw is a secured creditor and lender to 2267. The Receiver understands that Dotzlaw advanced \$150,000, pursuant to the Dotzlaw Mortgage, to 2267 in or about November 2013, with the loan secured by a second mortgage on the Property (the "Dotzlaw Mortgage").
17. The security held by First Source is in priority to the security held by Dotzlaw.
18. The Receiver has received a legal opinion from Paliare Roland (the "Legal Opinion") that, subject to the assumptions and qualifications contained in Paliare Roland's opinion letter, the security over the Property granted in favour of First Source pursuant to its mortgage is valid and enforceable against the Property in accordance with its terms. A copy of the Legal Opinion is attached hereto as Appendix "C".
19. As of the date of this First Report, and pending the sale of the Property, the Receiver has not requested that Dotzlaw provide evidence of her advances to 2267 in respect of the Dotzlaw Mortgage.
20. The Receiver is not aware of any liens or charges registered against the Property other than the first and second mortgages described above.

RECEIVER'S INFORMATION REQUESTS

21. On November 12, 2015, the Receiver emailed Weidner to advise of its appointment and to request information in respect of the Property. On November 17, 2015, the Receiver wrote to Weidner to follow up on its email of November 12, 2015 and again requested the information it was seeking. On December 2, 2015, Paliare Roland wrote to Weidner to request that he provide the Receiver with the information the Receiver was seeking. Copies of the Receiver's email and letter and Paliare Roland's letter are attached hereto

collectively as Appendix "D". Weidner has not responded to any of the Receiver's or its counsel's requests for information.

RECEIVER'S ACTIVITIES TO DATE

22. A summary of the Receiver's activities since its appointment, in accordance with the Appointment Order, as well as certain other matters relevant to the receivership administration, are set out below:

- drafting and sending correspondence to Weidner requesting certain information in respect of the Property;
- attending at the Property initially to review/assess status of same and notify tenants of the receivership proceeding;
- opening a trust account in respect of the receivership administration;
- setting up the Receiver's webpage in respect of these receivership proceedings and posting relevant documents thereon;
- contacting utility providers and property tax authorities to notify them of the Receiver's appointment and to change accounts into the Receiver's name;
- contacting 2267's insurance broker and arranging for continued insurance coverage over the Property under the existing insurance policy, which expires on May 15, 2016, and for the Receiver to be added as an additional named insured;
- arranging for snow removal services at the Property;
- arranging for two appraisals of the Property, including attending at the Property with appraisers to view same;
- drafting and sending out to known creditors the Notice and Statement of Receiver, pursuant to S. 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;
- contacting and corresponding with tenants to obtain copies of most recently cancelled cheques to substantiate rent payment amounts, including re-attending at the Property to discuss matters with tenants and obtain rent cheques;

-
- engaging DTZ as real estate agent for the purposes of marketing the Property for sale and facilitating tours of the Property for prospective purchasers, including setting a date for purchasers to submit bids on the Property;
 - finalizing and executing a listing agreement and related schedules thereto with DTZ;
 - finalizing a confidentiality agreement to be executed by potential purchasers prior to receiving certain reports and information from the Receiver and sending same to DTZ to facilitate execution thereof by potential purchasers;
 - reviewing offers submitted by potential purchasers, drafting offer summary and reviewing the offers received with First Source;
 - contacting Bilnia to advise that the Receiver accepted Bilnia's offer;
 - preparing an agreement of purchase and sale and sending same to Bilnia for execution;
 - attending at the Property on February 10, 2016 with Pronto General Contracting to identify and assess roof leaks reported by DTZ;
 - attending at the Property on February 11, 2016 with Anax Roofing to have roof leaks attended to;
 - drafting and finalizing the Receiver's First Report; and
 - attending to all other administrative matters with respect to the receivership proceeding, including supervision, meetings, telephone attendances, and written and verbal correspondence to effect the forgoing.

APRAISALS OF THE PROPERTY

23. The Receiver obtained two appraisal reports of the Property ("**Appraisals**"). The first appraisal report was prepared by Ridley & Associates Appraisal Services Limited. The second appraisal report was prepared by S. Katchen Appraisals.
24. Summaries of the appraised values of the Property, together with copies of the Appraisals, are attached hereto as Appendix "**E**".

RECEIVER'S MARKETING ACTIVITIES AND OFFERS RECEIVED

- 25. In or about mid-November 2015, the Receiver contacted DTZ to advise of its appointment and commenced discussions with DTZ to retain DTZ to list and market the Property for sale. The Receiver contacted DTZ as DTZ was the party that 2267 had engaged to sell the Property prior to the Receiver's appointment. DTZ was familiar with the Property, its tenants and other details to which the Receiver was not apprised due to Weidner's failure to respond to the Receiver's information requests.

- 26. On December 7, 2015, the Receiver executed a listing agreement with DTZ in respect of the Property, which authorized DTZ to list the Property for \$1.2 million (the "**Listing Agreement**"). The Listing Agreement also provided that DTZ would be entitled to a commission of 5% of the selling price, payable on closing. A copy of the Listing Agreement is attached hereto as Appendix "**F**". The Receiver, in consultation with DTZ, agreed to set a bid deadline for offers on the Property of January 28, 2016 (the "**Bid Deadline Date**").

- 27. DTZ facilitated site visits of the Property for several parties and a number of offers were made by prospective purchasers in advance of the Bid Deadline Date. All offers received prior to the Bid Deadline Date were significantly lower than the appraised values for the Property obtained by the Receiver and one offer included numerous terms and conditions that were unacceptable to the Receiver.

- 28. On January 28, 2016, six (6) offers were received. A summary of the offers received is attached hereto as Appendix "**G**".

- 29. After reviewing the six offers, the Receiver determined that the offer from Bilnia was the highest and best offer.

-
- 30. The Receiver subsequently reviewed all the offers received with First Source. First Source advised the Receiver that it was supportive of the Receiver's decision to pursue the offer received from Bilnia.

 - 31. On January 29, 2016, the Receiver contacted Bilnia to advise that its offer had been accepted and that the Receiver would send to Bilnia early the following week an agreement of purchase and sale (the "APS") for Bilnia's execution. After making certain changes to the APS that were satisfactory to the Receiver, on February 3, 2016 the Receiver received from Bilnia the executed APS. Closing of the sale is scheduled for the second business day following the date on which the Approval and Vesting Order is obtained or such earlier or later date as agreed to by the parties. A copy of the APS is attached hereto as Appendix "H".

 - 32. On February 5, 2016, the Receiver received the deposit required under the APS from Bilnia.

 - 33. The Receiver has retained Burstein & Greenglass LLP, the Applicant's counsel in this matter, as Receiver's real estate counsel to complete the sale of the Property to Bilnia.

 - 34. The Receiver is requesting that the Court seal, until the Closing, the Appendices to this report containing the Appraisals (Appendix E), the summary of offers (Appendix G) and the APS (Appendix H) since the public disclosure of the information contained therein could have a detrimental effect on the ability of the Receiver to complete a sale of the Property to Bilnia, or to another party in the event the sale to Bilnia does not close.

ROOF LEAK AT THE PROPERTY

- 35. Bilnia toured the property with DTZ on February 8, 2016 and noted that there was water leakage from the roof into unit 10 of the Property, which is a vacant unit. DTZ and Bilnia both apprised the Receiver of the leak.

-
- 36. On February 10, 2016, the Receiver attended at the Property with Pronto General Contracting (“Pronto”) to assess the cause of the leak and to possibly address it on the same day. Pronto advised that there were a number of visible holes in the roof that were the cause of the leak; however, as a result of the cold temperatures, ice had built up on the roof and it was impossible to patch the holes without chipping the ice away. Pronto further advised that any attempt to chip the ice away with hammers or other tools would likely result in further damage to the roof. Pronto suggested that the Receiver wait until the temperature rose to a point where the ice on the roof of the Property would commence melting and then the appropriate procedures could be undertaken to patch the various holes.

 - 37. On February 11, 2016, the Receiver again attended at the Property with Anax Roofing (“Anax”) to obtain a second opinion on whether there was some way that the holes in the roof could be patched immediately. Anax advised that the ice build-up on the roof was so significant, that nothing could be done until temperatures rose and at least a portion of the ice had melted. As temperatures are forecast to rise during the week of February 15, 2016, the Receiver contacted Anax and is scheduled to attend again at the Property with Anax on February 16, 2016 to have the holes in the roof patched, if possible.

 - 38. On the basis that melting of the ice on the roof would result in further leakage into the Property, the Receiver purchased several large water resistant totes to capture as much further water leakage as possible.

RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 39. Attached as Appendix “I” is the Receiver’s Interim Statement of Receipts and Disbursements (“R&D”) for the period November 12, 2015 to February 12, 2016. During this period, receipts were \$23,927 and disbursements were \$12,900, resulting in a net cash balance of \$11,027.

40. The R&D does not include the deposit paid by Bilnia in respect of its offer, nor does it include costs of the totes purchased to address the leak in the Property's roof.

INTERIM DISTRIBUTION

41. As previously discussed, Paliare Roland has provided its opinion that the security over the Property granted in favour of First Source pursuant to its mortgage is valid and enforceable against the Property in accordance with the mortgage's terms.

42. On the closing of the APS, the Receiver will receive the proceeds from the sale of the Property. From the proceeds of sale, the Receiver proposes to pay the following expenses (the "Expenses"):

- i) all costs and fees of the receivership administration to the date of closing, including property tax arrears for 2015 totaling approximately \$6,000 and a 2016 installment payment that is due on February 22, 2016 totaling \$5,843;
- ii) amounts to the municipal water supplier for unpaid arrears and to utilities suppliers for amounts owed for the period November 12, 2015 to the date of closing totaling approximately \$512; and
- iii) the commission payable to DTZ.

The sales proceeds, less the Expenses, are referred to herein as the "Net Sales Proceeds".

43. Following payment of the Expenses, including the Receiver's Accounts and Paliare Roland Accounts (as described and defined below), the Receiver proposes to pay to First Source an amount not exceeding 2267's indebtedness to First Source, which as at February 11, 2016 was approximately \$529,158.

44. After the full repayment of the First Source indebtedness, the Receiver will request from Dotzlaw evidence to support the amount that is secured by the Dotzlaw Mortgage.

-
- 45. After consideration of the documentation provided by Dotzlaw, the Receiver will, if necessary, seek the Court’s advice and directions regarding the disposition of the remaining funds in the Receiver’s possession.

Statutory Notices

- 46. Attached hereto as Appendix “J” is the Notice and Statement of Receiver prepared pursuant to Sections 245(1) and 246(1) of the Bankruptcy and Insolvency Act.

PROFESSIONAL FEES

- 47. The Receiver’s accounts total \$37,767.00 in fees and \$1,258.49 in disbursements plus HST of \$5,073.31 for a total amount of \$44,098.80 from November 12, 2015 to February 12, 2016 (the “**Receiver’s Accounts**”). A copy of the Receiver’s Accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Arif Dhanani sworn February 16, 2016 that is attached as Appendix “K”.
- 48. The accounts of the Receiver’s counsel, Paliare Roland, total \$12,094.33 in fees and disbursements and \$1,572.33 in HST for a total of \$13,666.66 (the “**Paliare Roland Accounts**”) for the period ended February 15, 2016. A copy of the Paliare Roland Accounts, together with a summary of the personnel, hours and hourly rates described in the Paliare Roland Accounts, supported by the Affidavit of Lindsay Scott sworn February 16, 2016 is attached as Appendix “L”.

REQUESTS OF THE COURT

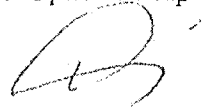
- 49. The Receiver respectfully requests that the Court grant an Order which provides for the following:
 - i) authorizing and directing the Receiver to enter into and carry out the terms of the APS between the Receiver and Bilnja dated February 3, 2016 together with amendments thereto, together with any further amendments

thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Property in Bilnia, or as it may further direct in writing, upon Closing;

- ii) approving the entering into by the Receiver of the listing agreement with DTZ in connection with the sale of the Property and approving payment of the commission to DTZ referred to therein;
- iii) sealing Confidential Appendices E, G and H to the First Report;
- iv) approving the R&D;
- v) authorizing and directing the Receiver to make an interim distribution to First Source from the Net Sale Proceeds of the Property up to the amount of the secured indebtedness owed to First Source;
- vi) approving the Receiver's conduct and activities since the date of the Receiver's appointment to February 12, 2016; and
- vii) approving the fees and disbursements of the Receiver to February 12, 2016 and Paliare Roland to February 15, 2016.

All of which is respectfully submitted to this Court as of this 16th day of February, 2016.

COLLINS BARROW TORONTO LIMITED
 In its capacity as Court Appointed Receiver
 of 2267 Industrial Street, Burlington, Ontario
 and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CIRP, LIT
 Senior Vice President

APPENDIX D

Schedule 1 – Form of Receiver’s Certificate

Court File No. CV-15-4228-00

ONTARIO

SUPERIOR COURT OF JUSTICE

THE HONOURABLE)	DAY, THE
)	
JUSTICE)	DAY OF MAY, 2016

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

**2267 INDUSTRIAL STREET INVESTMENTS LTD.,
FRED WEIDNER and MARLENE JOAN DOTZLAW**

Respondents

RECEIVER’S DICHARGE CERTIFICATE

RECITALS

A. By Order of the Ontario Superior Court of Justice dated November 12, 2015 (the “Receivership Order”), Collins Barrow Toronto Limited was appointed receiver and manager (the “Receiver”) of the Property.

B. Pursuant to an Order of the Court dated May 9, 2016 (the “Discharge Order”), the Court provided for the discharge of the Receiver upon certification that it has made the payments approved by the Discharge Order (the “Report”).

THE RECEIVER CERTIFIES it has made all payments approved by the Discharge Order.

**COLLINS BARROW TORONTO LIMITED,
in its capacity as Receiver Of 2267
Industrial Street, Burlington, Ontario, and
not in its personal capacity**

Per: _____

Name:

Title:

APPENDIX E



**PALIARE
ROLAND**

BARRISTERS

Chris G. Paliare
 Ian J. Roland
 Ken Rosenberg
 Linda R. Rothstein
 Richard P. Stephenson
 Nick Coleman
 Margaret L. Waddell
 Donald K. Eady
 Gordon D. Capern
 Lily I. Harmer
 Andrew Lokan
 John Monger
 Odette Soriano
 Andrew C. Lewis
 Megan E. Shortreed
 Massimo Starnino
 Karen Jones
 Robert A. Centa
 Nini Jones
 Jeffrey Larry
 Kristian Borg-Olivier
 Emily Lawrence
 Denise Sayer
 Tina H. Lie
 Jean-Claude Killey
 Jodi Martin
 Michael Fenrick
 Jessica Latimer
 Debra McKenna
 Lindsay Scott
 Alysha Shore
 Denise Cooney
 Zoë Paliare
 Jesse Elders

COUNSEL
 Stephen Goudge, Q.C.
 Robin D. Walker, Q.C.

HONORARY COUNSEL
 Ian G. Scott, Q.C., O.C.
 (1934 - 2006)

April 11, 2016

Delivered

Arif N. Dhanani
 Vice President
 Collins Barrow Toronto Limited
 11 King St. W., Suite 700, Box 27,
 Toronto, Ontario M5H 4C7

Dear Mr. Dhanani:

Re: 2267 Industrial Street, Burlington, Ontario

You have asked us in your capacity as court-appointed receiver of the property located at 2267 Industrial Street, Burlington, Ontario (the "**Receiver**"), having the legal description set out in Schedule "E" (the "**Property**"), to review certain loan, security and related documentation relating to the Property in connection with the indebtedness of 2267 Industrial Street Investments Ltd. (the "**Debtor**") to Joan Dotzlaw ("**Dotzlaw**").

SCOPE OF REVIEW

The scope of our review is limited to a) those security and related documents listed in Schedule "A" hereto and b) the Search Results (defined below) (collectively, the "**Documents**"). The only searches and inquiries conducted by us are those referred to in this letter, the results of which are summarized in Schedule "D" attached hereto (the "Search Results").

We reviewed the Documents generally to identify any aspect of the Documents or any registrations which did not appear complete and regular on their face, or which appeared to raise material issues. We have also listed in Schedule "A" attached hereto documents that were not reviewed even though they are referenced in the Documents.

This report is limited to the laws of the Province of Ontario and the federal laws of Canada applicable therein. We express no opinion with respect to the validity of Documents to the extent such validity is governed by the laws of any other Jurisdiction.

Jeffrey Larry

T 416.646.4330 Asst 416.646.7404

F 416.646.4301

E jeff.larry@paliareroland.com

www.paliareroland.com

File 24237

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 WELLINGTON STREET WEST 35TH FLOOR TORONTO ONTARIO M5V 3H1 T 416.646.4300

ASSUMPTIONS AND QUALIFICATIONS

Our opinion as to the validity of the Documents is subject to the assumptions and qualifications set out in Schedules "B" and "C", respectively, attached hereto.

SEARCH RESULTS

Corporate History

Our corporate search conducted on February 12, 2016 reveals that the Debtor was incorporated on March 3, 2011 pursuant to the laws of the Province of Ontario.

Personal Property Searches

We conducted searches against the Debtor as noted in Schedule "D" under the following statutes:

- 1. *Bankruptcy and Insolvency Act* (Canada);
- 2. Section 427 of the *Bank Act* (Canada);
- 3. *Executions Act* (Ontario); and
- 4. *Personal Property Security Act* (Ontario) (the "PPSA").

The results of our searches are summarized in Schedule "D". The Province of Ontario does not have a system for registering title to personal property and, accordingly, we cannot confirm whether the Debtor holds title to any of the personal property referred to herein.

Real Property Searches - PIN No. 07134-0126 (LT)

On April 11, 2016 we conducted a search of title to the Property. The following is a summary of the results of the search and is not a full investigation of title to the Property. Given the limited nature of a search we do not express any opinion as to title to the Property or the priority of any encumbrances affecting the Property.

The parcel register for the Property which we obtained as part of our search shows that the Justice Fragomeni's order made February 26, 2016 (the "**Approval and Vesting Order**") was registered on title on February 29, 2009.

On March 1, the transfer of the Property was transferred from the Receiver to the 2296355 Ontario Inc.

The Approval and Vesting Order provides at Schedule B that the charges in favour of First Source Mortgage Corporation ("**First Source**") and Marlene Joan Dotzlaw be expunged from title. The Approval and Vesting Order further provides

at paragraph 7 that all claims and encumbrances shall attach to the net proceeds from the sale of the Property with the same priority as they had with respect to the Property immediately prior to the sale as if the Property had not been sold and remained in possession or control of the Receiver.

We opined to you on February 16, 2016 that the first mortgage made in favour of First Source on May 15, 2013 as instrument no. HR1100234 (the "**First Source Mortgage**") represented a valid first charge on the Property. We understand that following the sale, the indebtedness secured by the First Source Mortgage (and a related assignment of rents and postponement) was paid out, in full, to First Source after the sale of the Property.

Aside from the First Source charges, the only other charge against the Property is the Charge/Mortgage granted by the Debtor in favour of Marlene Joan Dotzlaw in the original principal sum of \$150,000, registered on November 1, 2013 as instrument No. HR1144598 (the "**Dotzlaw Mortgage**").

An execution search was conducted against the Debtor in the Regional Municipality of Halton (Milton) on February 12, 2016, which search revealed that there was an execution no. 150000741 registered the Debtor. This execution was filed on July 31, 2015 in favour of Painting Canada Inc. and Braniff Intercity Glass Ltd. in the amount of \$22,596.90 plus interest at 2% per annum.

CERTIFICATE OF STATUS

We obtained a certificate of status dated February 12, 2106 in respect of the Debtor issued by the Ministry of Government Services confirming the corporate existence of the Debtor as at that date.

SECURITY REVIEW

Subject to the assumptions and qualifications set out in this letter, we have the following comments on and opinions with respect to the Documents.

A. *The Dotzlaw Loan*

Dotzlaw loaned the Debtor the principal amount of \$148,509.17 on November 1, 2013. As security for the loan, the Debtor granted to Dotzlaw the Dotzlaw Mortgage.

We understand that all of the indebtedness, liabilities and obligations of the Debtor to Dotzlaw were guaranteed by Fred Weidner (the "Guarantor") in favour of Dotzlaw (the "Guarantee"), however we have not been reviewed the Guarantee or any associated documents in connection with this opinion.

The Dotzlaw Mortgage grants, by its terms, a valid fixed charge in favour of Dotzlaw in the Property.

OPINIONS WITH RESPECT TO VALIDITY AND PRIORITY OF SECURITY

In our opinion, based on the assumptions and subject to the qualifications set out herein, the Dotzlaw Mortgage was a valid charge on the Property immediately prior to the sale and, presently, with the First Source indebtedness having been satisfied, the Dotzlaw Mortgage represents the highest priority charge against the proceeds of sale of the Property.

This review is provided to you in your capacity as court-appointed receiver of the Property pursuant to the order of the Honourable Mr. Justice Snowie dated November 12, 2015 (the "Receivership Order"). This letter may not be relied on by any other person without our prior written consent.

Please do not hesitate to contact us if you wish to discuss any of the foregoing.

Yours very truly,

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP



Jeffrey Larry
JL:ss
Encl.

SCHEDULE "A"**DOCUMENTS REVIEWED**

Documents not defined below shall have the meaning ascribed to them in the body of the security review letter.

1. Charge/Mortgage granted by the Debtor in favour of Dotzlaw in the original principal sum of \$150,000.00 registered on November 1, 2013 as Instrument No. HR1144598.
2. Copy of certified cheque in the amount of \$148,509.17 dated November 1, 2013 payable from Dotzlaw's solicitors to Campese & Wuebbolt, in trust.
3. Approval and Vesting Order.

DOCUMENTS NOT REVIEWED

The following documents have not been reviewed as part of giving this opinion:

1. All loan and security documentation in respect of the Guarantee.

SCHEDULE "B"

ASSUMPTIONS

For the purposes of conducting this review, we have assumed the following:

1. that the signatures on the Documents are genuine and that the Documents submitted to us as photocopies or facsimile copies conform to authentic original Documents, and that all Documents were fully completed prior to execution and delivery;
2. that the Debtor had at all relevant times the necessary power and capacity to grant to Dotzlaw the Documents to which it is party and to perform its obligations under each of those Documents;
3. that the Documents were duly authorized, executed and delivered to and in favour of Dotzlaw;
4. that the Documents were provided, as the case may be, to Dotzlaw by the Debtor on the basis of informed consent and advice and for value;
5. that Dotzlaw holds proper evidence of the amount of indebtedness owed to it by the Debtor and the dates on which such indebtedness was incurred;
6. that none of the Documents has been assigned, amended, superseded, released, discharged or otherwise impaired, either in whole or in part;
7. that, at the time of granting the relevant security interest, the Debtor held legal and beneficial title to the Property;
8. the accuracy and completeness of the descriptions of all property of the Debtor referred to in any Document;
9. that there are no agreements to which the Debtor is a party or was a party at the time of the execution of the Documents which might impair its ability to execute and deliver or grant any of the Documents to which it is a party or to perform any of its obligations thereunder;
10. that none of the Documents, originals or copies of which we examined, has been amended (except as set out in this letter), and there are no other agreements or understandings between the parties that would amend, supplement or qualify any provisions of the Documents;
11. that no execution creditor or other person has seized or caused seizure of any asset of the Debtor; and

12. that the public records examined by us in connection with this report were complete and accurate when examined.

SCHEDULE "C"

QUALIFICATIONS

1. We express no opinion with respect to title to any of the personal property or the Property charged by the Documents.
2. We express no opinion as to the priority of any security interest created by the Documents as against any statutory liens, charges, deemed trusts or other priorities.
3. We express no opinion as to any security interest created by the Documents with respect to any property of the Debtors that is transformed in such a way that it is not identifiable or traceable or any proceeds of property of the Debtors that are not identifiable or traceable.
4. We express no opinion as to the creation or validity of any charge of, assignment or transfer of or security interest in any of the following property or any interest of the Debtors or the Guarantor therein: (i) any policy of insurance or contract of annuity; (ii) any permits, quotas, licenses and other property which is not personal property; and (iii) any property consisting of a receivable, license, approval, privilege, franchise, permit, lease or agreement (collectively, the "Special Property") to the extent that the terms of the Special Property or any applicable law prohibits its assignment or requires as a condition of its assignability, a consent, approval, notice or other authorization or registration which has not been made or given.
5. No opinion is expressed under the terms of this opinion with respect to the laws of any jurisdiction (other than Ontario) to the extent that such laws may govern the validity, perfection, effect of perfection or non-perfection of the security interests created by the Documents as a result of the application of Ontario conflict of law rules.
6. We did not investigate whether, any steps were taken in connection with the registration of the Documents or of any of the interests created thereunder: (i) under the Patent Act (Canada), the Trade-marks Act (Canada), the industrial Designs Act (Canada), the Integrated Circuit Topography Act (Canada), the Copyright Act (Canada) or the Plant Breeders' Rights Act (Canada); (ii) in respect of any vessel which is registered or recorded under the Canada Shipping Act (Canada); (iii) in respect of any rolling stock to which the provisions of the Canada Transportation Act (Canada) or the Shortline Railways Act (Ontario) may apply; or (iv) under the Financial Administration Act (Canada).
7. Provisions of the Document which purport to exculpate any secured party from liability for its acts or which purport to confirm the continuance of

obligations notwithstanding any act or omission or other matter are subject to the discretion of an Ontario Court.

8. An Ontario Court may decline to enforce the rights of indemnity and contribution potentially available under the Documents to the extent that they are found to be contrary to equitable principles or public policy.
9. An Ontario Court may decline to enforce those provisions of the Documents which purport to allow a determination, calculation or certificate of a party thereto as to any manner provided for therein to be final, conclusive and binding upon any other party thereto if such determination is found to be inaccurate on its face or to have reached or made on an arbitrary or fraudulent basis.
10. Wherever any matter or thing is to be determined or done in the discretion of any secured party, such discretion may be required to be exercised in a commercially reasonable manner and in good faith.
11. With respect to the charge of, or transfer or pledge or assignment of, or the granting of a security interest in, any account or like personal property pursuant to the Documents, notice may have to be given to the obligor thereunder and the secured creditors may be subject to the equities between the obligor and the grantor of the security interest in the event that it wishes to enforce any such account or like personal property as against the obligor under such account or like personal property.
12. Powers of attorney contained in any of the Documents, although expressed to be irrevocable, may in some circumstances be revoked, including without limitation, pursuant to the Substitute Decisions Act (Ontario).
13. Pursuant to section 8 of the Interest Act (Canada), no fine, penalty or rate of interest may be exacted on any arrears of principal or interest secured by a mortgage on real property that has the effect of increasing the charge on the arrears beyond the rate of interest payable on principal money not in arrears.

SCHEDULE "D"**SUMMARY OF SECURITY SEARCHES AGAINST 2267 INDUSTRIAL STREET INVESTMENTS LTD. (the "DEBTOR")****Corporate History**

The Debtor was incorporated on March 3, 2011 pursuant to the laws of the Province of Ontario.

Personal Property Security Act (Ontario)

(File Currency: April 7, 2016)

1. Secured Party: First Source Mortgage Corporation

Debtor: 2267 Industrial Street Investments Ltd.

Collateral Classification: Inventory, Equipment, Accounts, Other

General Collateral Description: General security agreement

Registration No.: 20130513 1347 9041 0489

File No. 686862945

Registration Date: May 13, 2013

Registration Period: 5 Years

Expiry Date: May 13, 2018

2. Secured Party: First Source Mortgage Corporation

Debtor: 2267 Industrial Street Investments Ltd.

Collateral Classification: Accounts, Other

General Collateral Description: General assignment of rents with respect to 2267 Industrial Street, Burlington, Ontario

Registration No.: 20130513 1354 9041 0490

File No. 686863035

Registration Date: May 13, 2013

Registration Period: 5 Years

Expiry Date: May 13, 2018

Bank Act (Ontario)

Date of Search: February 12, 2016

CLEAR

Official Receiver (Bankruptcy)

BIA Estate No: 32-158850

BIA Estate Name: 2267 Industrial Street Investments Ltd.

Estate Type: Receivership

Date of Proceeding: November 12, 2015

Total Liabilities: \$0

Executions: Halton

Date of Search: April 8, 2016

Defendant: 2267 Industrial Street Investments Ltd.

Creditor: Painting Canada Inc. and Braniff Intercity Glass Ltd.

Comments: July 31, 2015 - \$22, 596.90 plus interest at 2% per annum

SCHEDULE "E"**LEGAL DESCRIPTION OF REAL PROPERTY**

Municipal Address: 2267 Industrial Street, Burlington, Ontario

PIN No. 07134-0126 LT: Lot 6, Plan 652, being Parts 1 and 2 of Reference Plan 20R-19726, subject to an easement as set forth in Instrument No. 526597

Doc 1777727 v1

APPENDIX F

APPENDIX F

Collins Barrow Toronto Limited
Court-Appointed Receiver & Manager of 2267 Industrial Street, Burlington, ON
Interim Statement of Receipts and Disbursements
for the period from November 12, 2015 to May 3, 2016

Receipts		Note
Sale of property	\$ 761,000.00	
Rental income	21,174.20	
HST collected	2,752.60	
Miscellaneous refunds and interest	1,276.02	
Total receipts (note 1)	\$ 786,202.82	
Disbursements		
Insurance	2,680.29	
Appraisal Fees	5,899.00	
Repairs & Maintenance	7,400.00	
Property taxes	10,318.97	
Receiver's fees and disbursements	39,025.49	
Legal fees and disbursements	28,940.70	
Commissions paid on sale of property	38,050.00	
HST Paid	15,505.40	1
PST Paid	208.20	
HST remitted to CRA	940.10	
Filing Fees	70.00	
Utilities	114.09	
Total disbursements	\$ 149,152.24	
Excess of receipts over disbursements	\$ 637,050.58	
Less: Distribution to First Source	531,044.57	
Cash on hand	\$ 106,006.01	

Note 1: The Receiver has submitted its HST returns for the period to January 31, 2016. CRA subsequently advised that 2267 Industrial Street Investments is registered to file its HST returns annually. Once all professional fees and costs associated with the engagement are paid, the Receiver will submit a final HST return to CRA that the Receiver expects will set out a refund is payable to the Receiver. The Receiver proposes to endorse any HST refund cheque to be payable to Dotzlaw in respect of the Dotzlaw mortgage.

APPENDIX G

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

**2267 INDUSTRIAL STREET INVESTMENTS LTD.,
FRED WEIDNER and MARLENE JOAN DOTZLAW**

Respondents

**AFFIDAVIT OF ARIF N. DHANANI
(Sworn May 3, 2016)**

I, **ARIF N. DHANANI**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Vice-President of Collins Barrow Toronto Limited (“**CBTL**”) and as such I have personal knowledge of the matters to which I hereinafter depose, save and except those matters based upon information and belief, in which case I have stated the source of such facts, all of which I verily believe to be true.
2. Pursuant to the order herein dated November 12, 2015 (the “**Appointment Order**”), CBTL was appointed receiver and manager (the “**Receiver**”), without security, of lands and premises known as 2267 Industrial Street, Burlington, Ontario (the “**Property**”).

3. For the period commencing February 13, 2016 to May 2, 2016 (the “**Passing of Accounts Period**”), the Receiver has been engaged in various activities in connection with the administration of the Property, in receivership. Particulars of the Receiver’s conduct and activities during the Passing of Accounts Period are contained in the Receiver’s report dated May 3, 2016 (the “**Second Report**”).

4. Attached hereto and marked as Exhibit “A” to this my affidavit is a summary of the fees charged and periodic accounts rendered by the Receiver in respect of the proceedings for the Passing of Accounts Period including an accrual of \$3,750.00 plus HST for estimated fees to be incurred by the Receiver to complete its administration of the receivership. Copies of the interim invoices which are referenced in the summary are appended to this affidavit as Exhibit “B”.

5. In accordance with the provisions of paragraph 11 of the Receivership Order, the Receiver’s and its solicitors’ practice has been to render its interim invoices on a regular basis and to pay such fees and disbursements out of the funds in the Receiver’s bank account, subject to the approval of this Court ultimately being obtained.

6. In the course of its administration of the receivership during the Passing of Accounts Period, the Receiver’s staff expended 33.15 hours of time to complete its administration, which aggregates to fees of \$10,295.00 based on the Receiver’s hourly billing rates for an average hourly rate of \$310.56.

7. To the best of my knowledge, the rates charged by the Receiver throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Greater Toronto Area for the provision of similar services.

8. I verily believe that the Receiver’s accounts are fair and reasonable in the circumstances.

9. Attached to the Second Report as Appendix H is the affidavit of Sarita Sanasie sworn and filed in support of the within motion are the full particulars of the fees and disbursements of Paliare Roland LLP and Burstein & Greenglass LLP (“**Receiver’s Counsel**”), counsel to the Receiver for the receivership administration, which have been incurred since the filing of the Receiver’s first report dated February 16, 2016.


10. Receiver's Counsel have rendered services throughout these proceedings in a manner consistent with instructions from the Receiver. The Receiver has approved all such accounts and I verily believe that the fees and disbursements of legal counsel are fair and reasonable in the circumstances.

11. The Court previously approved the accounts of the Receiver for the period to February 12, 2015, which totaled \$44,098.80. CBTL is requesting that its fees as Receiver be assessed at \$60,151.66 inclusive of taxes and an accrual of \$4,237.50 for estimated fees to completion.

12. This affidavit is sworn in support of the Receiver's motion for approval of its fees and disbursements by this Honourable Court and for no improper purpose.

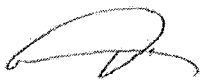
SWORN BEFORE ME at the City of)
Toronto, in the Province of Ontario,)
This 3rd day of May, 2016.)


A Commissioner, etc.)

)
) 
) _____
) **ARIF N. DHANANI**
)

Daniel Raphael Weisz, a Commissioner, etc.,
Province of Ontario, for Collins Barrow
Toronto LLP, Chartered Accountants, and
Collins Barrow Toronto Limited, Trustee in
Bankruptcy. Expires August 8, 2016.

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF ARIF N. DHANANI SWORN
BEFORE ME THIS 3rd DAY OF MAY, 2016**




A Commissioner, etc.

Daniel Raphael Walaz, a Commissioner, etc.,
Province of Ontario, for Collins Barrow
Toronto LLP, Chartered Accountants, and
Collins Barrow Toronto Limited, Trustee in
Bankruptcy. Expires August 8, 2016.

**Calculation of Average Hourly Billing Rates of
Collins Barrow Toronto Limited
for the Passing of Accounts Period**

Invoice No.	Billing Period	Total Fees	Disbursements	HST	Hours	Average Hourly Rate	Total
2	November 13, 2015 to May 2, 2016	\$10,295.00	\$161.07	\$1,359.29	33.15	\$310.56	\$11,815.36
	Accrued fees to complete receivership administration	\$3,750.00	\$0	\$487.50	10.00	\$375.00	\$4,237.50
	Subtotal	\$14,045.00	\$161.07	\$1,846.79	43.15	\$325.49	\$16,052.86
1	Accounts previously approved by the Court	\$37,767.00	1,258.49	\$5,073.31	146.20	\$258.32	\$44,098.80
	Grand Total	\$51,812.00	\$1,419.56	\$6,920.10	189.35	\$273.63	\$60,151.66

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF ARIF N. DHANANI SWORN
BEFORE ME THIS 3rd DAY OF MAY, 2016**



A Commissioner, etc.

Daniel Raphael Welz, a Commissioner, etc.,
Province of Ontario, for Collins Barrow
Toronto LLP, Chartered Accountants, and
Collins Barrow Toronto Limited, Trustee In
Bankruptcy. Expires August 8, 2016.

Collins Barrow Toronto Limited
 Collins Barrow Place
 11 King Street West
 Suite 700, PO Box 27
 Toronto, Ontario
 M5H 4C7 Canada

To First Source Mortgage Corporation
 1 Valleybrook Drive, Suite 100
 Toronto, Ontario
 M3B 2S7

 T. 416.480.0160
 F. 416.480.2646

www.collinsbarrow.com
Date May 3, 2016

Client File 112384-28636

GST/HST: 80784 1440 RT 0001

Invoice No. 2

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver and Manager of 2267 Industrial Street Investments Ltd. for the period February 13, 2016 to May 2, 2016.

Date	Professional	Description
2/16/2016	Talib Contractor	Attend at 2267 Industrial Street; assessment of roof condition; discussion with Annax Roofing.
2/16/2016	Daniel Weisz	Review final version of report and discussion with A. Dhanani on same; sign report.
2/16/2016	Arif Dhanani	Review amendments to Receiver's report made by J. Larry and incorporate same; draft fee affidavit for inclusion with Court materials; incorporate further amendments provided by D. Weisz; facilitate execution of report by D. Weisz; assemble report and send to J. Larry for service.
2/18/2016	Arif Dhanani	Review emails from E. Burstein and respond; review email from P. DeGuerre and respond.
2/19/2016	Sandra Pereira	Prepare disbursement cheques; post deposit in Ascend.
2/19/2016	Arif Dhanani	Review Receiver's Factum and Book of Authorities and facilitate posting of same on Receiver's website.
2/23/2016	Jeffrey Berger	Attend at 2267 Industrial Street in Burlington with Anax Roofing and oversee roof repair.
2/23/2016	Arif Dhanani	Telephone calls with J. Berger regarding attendance at 2267 Industrial Street with roofers; review emails from E. Burstein.
2/25/2016	Arif Dhanani	Review closing package documents received from Burstein Greenglass LLP, execute and email same to E. Burstein.
2/29/2016	Arif Dhanani	Telephone call with P. DeGuerre; complete and submit HST returns for November 13, 2015 to Jan 31, 2016; review of correspondence from Burstein Greenglass LLP and responding to same with respect to direction to register the vesting order on title and keys.
3/1/2016	Arif Dhanani	Reviewing emails and other documentation from Burstein Greenglass LLP regarding closing; responding to purchaser's questions regarding, among other things, rent cheques and vehicle on premises.
3/2/2016	Arif Dhanani	Review of documentation from Burstein Greenglass LLP; emails to/from P. DeGuerre regarding closing proceeds; update meeting with

Date	Professional	Description
		B. Tannenbaum; attend to administrative matters.
3/2/2016	Donna Nishimura	Deposit cheque at the bank.
3/3/2016	Cindy Baeta	Attend to update of Receiver's general ledger for receipts and disbursements.
3/4/2016	Arif Dhanani	Emails to/from C. Sherman re water and hydro bills; email to C. Sherman re snow removal invoice.
3/11/2016	Cindy Baeta	Attend to update of Receiver's general ledger for receipts and disbursements.
3/11/2016	Arif Dhanani	Telephone call with purchaser of 2267 Industrial Street; email to Anax Inc. regarding roof repairs; facilitate distribution to secured lender.
3/14/2016	Arif Dhanani	Review of invoice from Burstein & Greenglass LLP for real estate closing work and approve invoice for payment; telephone call with Absolute Exterior Pros re snow removal services not required for March 15-April 15, 2016, agreement to reduction in charges, and send confirming email to Absolute Exterior Pros in this regard.
3/15/2016	Arif Dhanani	Telephone call with S. Webb of Wardell Insurance Brokers regarding cancellation of insurance policy over property effective March 1, 2016; review and execute insurance cancellation form and send to Wardell Insurance.
3/16/2016	Arif Dhanani	Review of revised and discounted invoice for snow removal services and facilitate payment thereof; review of emails between J. Larry and M. Dotzlaw regarding submission of documents to substantiate validity and enforceability of second mortgage on property.
3/18/2016	Cindy Baeta	Attend to update of Receiver's general ledger for receipts and disbursements.
3/24/2016	Arif Dhanani	Review of correspondence received from Union Gas; call Union Gas to discuss; voicemail for and email to M. Goldman of purchaser regarding contacting Union Gas to switch over account or possible shut off of gas service.
4/7/2016	Arif Dhanani	Email to J. Larry regarding legal opinion on validity and enforceability of Dotzlaw mortgage.
4/8/2016	Cindy Baeta	Prepare bank reconciliation.
4/11/2016	Bryan Tannenbaum	Receipt and review of emails regarding security opinion for the second mortgage and court discharge after paying out same.
4/12/2016	Arif Dhanani	Email from/to J. Larry; telephone call to P. Davey of CRA regarding HST return period(s) and filing returns.
4/20/2016	Arif Dhanani	Email to J. Larry regarding next court attendance and scheduling.
4/21/2016	Arif Dhanani	Review appointment order, sale approval and interim distribution order and First Report and commence draft of Second Report of the Receiver.
4/26/2016	Daniel Weisz	Review draft second report to court.
4/26/2016	Arif Dhanani	Drafting second report of Receiver and send to D. Weisz for comments.
4/27/2016	Arif Dhanani	Meeting with D. Weisz to discuss draft Second Report of the Receiver, amend report for suggested changes per D. Weisz and send to J. Larry for comments.
4/27/2016	Daniel Weisz	Meet with A Dhanani to review draft report.
4/29/2016	Cindy Baeta	Prepare disbursement cheques.
5/2/2016	Bryan Tannenbaum	Review and edit final Court Report.

Date	Professional	Description
5/2/2016	Arif Dhanani	Review changes to Second Report made by J. Larry and incorporate changes, draft fee affidavit; assemble appendices and send to B. Tannenbaum for review; review draft discharge order and notice of motion sent by J. Larry and provide comments on same; review MZ draft affidavit and notice of motion and send email to H. Chaiton with comments, telephone discussion with H. Chaiton regarding same.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, file organization and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	1.20	\$ 525	\$ 630.00
Daniel R. Weisz, CPA, CA, CIRP, LIT	Senior Vice President	1.80	\$ 495	891.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	19.80	\$ 350	6,930.00
Jeffrey K. Berger, CPA, CA	Senior Analyst	4.80	\$ 195	936.00
Talib M. Contractor, CPA, CA	Senior Analyst	3.50	\$ 195	682.50
Sandra Pereira/Cindy Baeta	Estate Administrator	2.05	\$ 110	225.50
Total hours and professional fees		33.15		\$ 10,295.00
Disbursements				
Travel			\$ 104.16	
Courier			26.55	
Parking			30.36	
Total disbursements				\$ 161.07
Total professional fees and disbursements				\$ 10,456.07
HST @ 13%				1,359.29
Total payable				\$ 11,815.36

PAYMENT BY VISA ACCEPTED

VISA NUMBER _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of Collins Barrow Toronto Limited, Account No. 65-84918, Canadian Imperial Bank of Commerce
 Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

PLEASE RETURN ONE COPY WITH REMITTANCE

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 The Collins Barrow trademarks are used under license.

APPENDIX H

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

**2267 INDUSTRIAL STREET INVESTMENTS LTD.,
FRED WEIDNER and MARLENE JOAN DOTZLAW**

Respondents

AFFIDAVIT OF SARITA SANASIE

(Sworn May 3, 2016)

I, Sarita Sanasie, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an assistant at law firm of Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland"). I have personal knowledge of the matters to which I hereinafter refer.

2. Pursuant to the order of the Honourable Mr. Justice Snowie dated November 12, 2015 (the "Appointment Order"), Collins Barrow Toronto Limited was appointed the receiver (the "Receiver") of the lands and premises municipally known as 2267 Industrial Street, Burlington, Ontario (the "Property").

3. Pursuant to the Appointment Order, Paliare Roland has provided services to and incurred disbursements on behalf of the Receiver. The detailed invoices attached hereto and marked as **Exhibit "A"** (the "Dockets") set out Paliare Roland's fees and disbursements from February 16, 2016 to April 29, 2016.


4. The Dockets describe the services provided and the amounts charged by Paliare Roland.

5. The following is a summary of the professionals whose services are reflected in the Dockets, including hourly rates, fees billed, hours billed and the average hourly rate charged by Paliare Roland. The hourly rates charged are the usual hourly rates charged by Paliare Roland for the listed professionals.

Professional	Hourly Rate	Hours Billed	Fees Billed
Jeff Larry, Partner, 2001 Call	\$595/hr	14.4	\$8,568.00
Total		14.4	8.568

6. Attached as **Exhibit "B"** is a copy of the detailed invoice for Burstein and Greenglass LLP, real estate counsel to the Receiver for closing the sale of the Property.

SWORN BEFORE ME, at the City of Toronto, in the Province of Ontario this 3rd day of May, 2016.



 A commissioner, etc.

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 Sarita Sanasie



35th Floor
 155 Wellington St. West
 Toronto, Ontario M5V 3H1
 Canada

416.646.4300
 paliareroiland.com

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Collins Barrow Toronto Limited
 Collins Barrow Place
 11 King Street West, Suite 700
 Toronto, Ontario M5H 4C7

February 29, 2016
 Invoice No.: 70599
 Our File No.: 24237

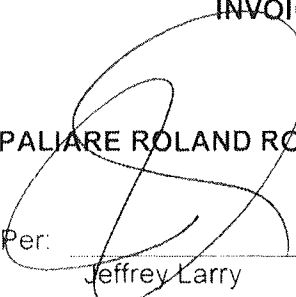
Attention: Bryan Tannenbaum

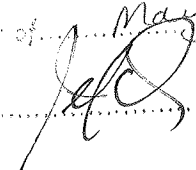
RE: 2267 Industrial Street, Burlington

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending February 29, 2016:

Total Fees	\$ 16,138.50
Non Taxable Disbursements	127.00
Total Disbursements subject to HST	630.63
Total HST	2,179.99
INVOICE TOTAL	<u><u>\$ 19,076.12</u></u>

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per: 
 Jeffrey Larry

This is Exhibit "A" referred to in the
 affidavit of Santa Senasie
 sworn before me, this 3rd
 day of May, 2016

 A COMMISSIONER



35th Floor
 155 Wellington St. West
 Toronto, Ontario M5V 3H1
 Canada

416.646.4300
 paliareroland.com

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Collins Barrow Toronto Limited
 Collins Barrow Place
 11 King Street West, Suite 700
 Toronto, Ontario M5H 4C7

February 29, 2016
 Invoice No.: 70599
 Our File No.: 24237

Attention: Bryan Tannenbaum

RE: 2267 Industrial Street, Burlington

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending February 29, 2016.

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
09/09/15	JL	Discussion with E. Burstein; telephone call with D. Mandel;	575.00	0.50	287.50
10/09/15	JL	Review draft affidavit;	575.00	0.30	172.50
16/09/15	JL	Review draft Order; email correspondence with B. Tannenbaum and M. Greenglass;	575.00	0.40	230.00
14/10/15	JL	Email correspondence with M. Greenglass; review draft Order;	575.00	0.20	115.00
15/10/15	JL	Telephone call with M. Greenglass; email correspondence with B. Tannebaum;	575.00	0.40	230.00
02/11/15	JL	Telephone call with M. Greenglass; conference with L. Scott;	575.00	0.30	172.50
13/11/15	JL	Review file; participate in conference call with B. Tannenbaum and D. Mandel; follow up;	575.00	0.90	517.50
17/11/15	JL	Telephone call with Burstein Greenglass; email correspondence with D. Mandel; discussion with counsel;	575.00	0.40	230.00
01/12/15	JL	Telephone call with T. Contractor; draft letters; email correspondence;	575.00	0.40	230.00

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DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
02/12/15	JL	Discussion with T. Contractor; draft letter to Weidner; review and consider issues;	575.00	0.60	345.00
03/12/15	JL	Draft and send letter to tenants; Telephone call with Receiver; correspondence with Receiver;	575.00	0.90	517.50
29/12/15	JL	Correspondence with D. Mandel; email correspondence re: update;	575.00	0.30	172.50
06/01/16	JL	Discussions with Receiver; draft letter to E. Burstein;	595.00	0.50	297.50
11/01/16	JL	Review and revise Acknowledgment and Release form; Telephone call with A. Dhanani;	595.00	1.10	654.50
12/01/16	JL	Correspondence with client re: several issues;	595.00	0.40	238.00
18/01/16	SI	Review of e-mail correspondence from J. Larry; conduct property search for 2267 Industrial Street; e-mail correspondence with J. Larry; conduct execution search for 2267 Industrial Street Investments Ltd.; telephone call with Sheriff's office to obtain copy of Writ;	210.00	0.50	105.00
18/01/16	JL	Correspondence with A. Dhanani; email with A. Mills; review property search;	595.00	0.30	178.50
26/01/16	JL	Correspondence with A. Dhanani;	595.00	0.30	178.50
27/01/16	JL	Review and discuss Asset Purchase Agreement; consider issues; correspondence with A. Dhanani;	595.00	1.80	1,071.00
28/01/16	JL	Review and revise Agreement of Purchase and Sale; email correspondence; Telephone call with A. Dhanani;	595.00	1.70	1,011.50
29/01/16	JL	Correspondence with E. Burstein;	595.00	0.30	178.50

Collins Barrow Toronto Limited

Invoice No.: 70599

Our File No.: 24237

Page No.: 3

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
		correspondence with A. Dhanani; review summary of offers; review email from A. Dhanani re: offers;			
02/02/16	JL	Review and finalize form of Agreement of Purchase and Sale; correspondence with E. Burstein;	595.00	0.70	416.50
04/02/16	JL	Correspondence with A. Dhanani;	595.00	0.20	119.00
09/02/16	SI	E-mail correspondence with J. Larry; conduct property search for 2267 Industrial Street;	210.00	0.30	63.00
09/02/16	JL	Telephone call with E. Burstein; correspondence with A. Dhanani; commence preparation for court materials;	595.00	0.90	535.50
12/02/16	SI	Review of e-mail from J. Larry; telephone discussion with J. Larry; conduct various searches for 2267 Industrial Street Investments Ltd.; e- mail correspondence with J. Larry;	210.00	1.50	315.00
12/02/16	JL	Drafting order; review and comment on Receiver's Report; correspondence with M. Greenglass and E. Burstein; Telephone call with A. Dhanani;	595.00	2.80	1,666.00
14/02/16	JL	Drafting opinion;	595.00	1.50	892.50
15/02/16	JL	Finalize order, opinion and fee affidavit; correspondence with A. Dhanani and E. Burstein;	595.00	1.50	892.50
16/02/16	JL	Draft notice of motion; finalize and serve motion materials; Telephone call with A. Dhanani re: Receiver's Report;	595.00	1.90	1,130.50
19/02/16	JL	Draft and file factum with court;	595.00	1.50	892.50
25/02/16	JL	Prepare for motion;	595.00	0.70	416.50

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DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
26/02/16	JL	Attend at motion for approval of sale transaction;	595.00	2.80	1,666.00

TIME SUMMARY

MEMBER	POSITION	HOURS	RATE	VALUE
Jeffrey Larry (JL)	Partner	26.50	590.77	15,655.50
Shoshana Israel (SI)	Law Clerk	2.30	210.00	483.00
OUR FEES				\$ 16,138.50
HST at 13%				2,098.01

Non Taxable Disbursements:

Filing Fee	127.00
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Taxable Disbursements:

Courier Expense	32.78
Laser Copies	104.25
Search Disbursement	172.94
Photocopies	131.75
Process Server Fees	135.00
27/01/16 Search Disbursement - Non-taxable Re: Teranet Order 1900739, Writ Search by Name (Industrial Street Investments Ltd.) Voucher No. 11348 for Invoice No. 1900739-Teranet issued by (130) CIBC Visa	11.49
27/01/16 Search Disbursement - Non-taxable Re: Teranet Order 1900638, Property Search Voucher No. 11347 for Invoice No. 1900638-Teranet issued by (130) CIBC Visa	8.42
16/02/16 Search Disbursement - Non-taxable Re: Search Voucher No. 11497 for Invoice No. 1704 issued by (236) Cyberbahn Inc.	26.00

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Collins Barrow Toronto Limited

Invoice No.: 70599
Our File No.: 24237
Page No.: 5

16/02/16	Search Disbursement - Non-taxable Re: Search Voucher No. 11496 for Invoice No. 1703 issued by (236) Cyberbahn Inc.	8.00
----------	--	------

Total Taxable Disbursements	630.63
HST at 13%	81.98

INVOICE TOTAL	<u><u>\$ 19,076.12</u></u>
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35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

416.646.4300
paliareroland.com

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Collins Barrow Toronto Limited
Collins Barrow Place
11 King Street West, Suite 700
Toronto, Ontario M5H 4C7

February 29, 2016
Invoice No.: 70599
Our File No.: 24237

Attention: Bryan Tannenbaum

RE: 2267 Industrial Street, Burlington

**REMITTANCE COPY
PLEASE REMIT WITH PAYMENT**

Total Fees	\$ 16,138.50
Non Taxable Disbursements	127.00
Total Disbursements subject to HST	630.63
Total HST	<u>2,179.99</u>
INVOICE TOTAL	<u><u>\$ 19,076.12</u></u>



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

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Collins Barrow Toronto Limited
Collins Barrow Place
11 King Street West, Suite 700
Toronto, Ontario M5H 4C7

April 29, 2016
Invoice No.: 71435
Our File No.: 6595-24237

Attention: Bryan Tannenbaum

RE: 2267 Industrial Street, Burlington

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending April 29, 2016:

Total Fees	\$ 4,294.50
Non Taxable Disbursements	7.46
Total Disbursements subject to HST	226.80
Total HST	587.77
INVOICE TOTAL	<u><u>\$ 5,116.53</u></u>

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per: _____

Jeffrey Larry



35th Floor
 155 Wellington St. West
 Toronto, Ontario M5V 3H1
 Canada

416.646.4300
 paliareroland.com

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Collins Barrow Toronto Limited
 Collins Barrow Place
 11 King Street West, Suite 700
 Toronto, Ontario M5H 4C7

April 29, 2016
 Invoice No.: 71435
 Our File No.: 6595-24237

Attention: Bryan Tannenbaum

RE: 2267 Industrial Street, Burlington

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending April 29, 2016:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
19/02/16	AB	Searching for case no. 09-8298-00CL;	200.00	0.10	20.00
19/02/16	LP	Pull and black line cases; prepare book of authorities;	200.00	0.60	120.00
01/03/16	JL	Correspondence with E. Burstein; correspondence with receiver;	595.00	0.40	238.00
14/03/16	JL	Correspondence with A. Dhanani; correspondence with J. Dotzlaw;	595.00	0.40	238.00
08/04/16	JL	Review letter from counsel; correspondence with Receiver; review documentation;	595.00	0.50	297.50
08/04/16	SI	Review of e-mail correspondence from J. Larry; e-mail correspondence with J. Larry; conduct property search, PPSA and Execution searches for 2267 Industrial Street Investements Ltd.;	210.00	0.40	84.00
11/04/16	SI	Review of e-mail from J. Larry and review of court order and property search; telephone discussion with J. Larry; conduct further property search for 2267 Industrial Street; e-mail correspondence with J. Larry;	210.00	0.40	84.00
11/04/16	JL	Draft opinion on second mortgage;	595.00	2.50	1,487.50

Collins Barrow Toronto Limited

Invoice No.: 71435
Our File No.: 6595-24237
Page No.: 2

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
20/04/16	JL	Email correspondence with A. Dhanani re: scheduling;	595.00	0.20	119.00
28/04/16	JL	Review and comment on Receiver's final report; draft motion materials;	595.00	2.20	1,309.00
29/04/16	JL	Finalize drafting of Order and Notice of Motion; comments on Receiver's Report;	595.00	0.50	297.50

TIME SUMMARY

MEMBER	POSITION	HOURS	RATE	VALUE
Akash Brijpaul (AB)	Articling Student	0.10	200.00	20.00
Lauren Pearce (LP)	Articling Student	0.60	200.00	120.00
Jeffrey Larry (JL)	Partner	6.70	595.00	3,986.50
Shoshana Israel (SI)	Law Clerk	0.80	210.00	168.00

OUR FEES \$ 4,294.50
HST at 13% 558.29

Non Taxable Disbursements:

Search Disbursement - Non-taxable 7.46

Taxable Disbursements:

Search Disbursement 29.92
Courier Expense 16.13
Process Server Fees/Disbursements 180.00
Laser Copies 0.75

Total Taxable Disbursements 226.80
HST at 13% 29.48

INVOICE TOTAL \$ 5,116.53

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Collins Barrow Toronto Limited

Invoice No.: 71435
Our File No.: 6595-
24237
Page No.: 3



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

416.646.4300
paliareroland.com

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Collins Barrow Toronto Limited
Collins Barrow Place
11 King Street West, Suite 700
Toronto, Ontario M5H 4C7

April 29, 2016
Invoice No.: 71435
Our File No.: 6595-24237

Attention: Bryan Tannenbaum

RE: 2267 Industrial Street, Burlington

**REMITTANCE COPY
PLEASE REMIT WITH PAYMENT**

Total Fees	\$ 4,294.50
Non Taxable Disbursements	7.46
Total Disbursements subject to HST	226.80
Total HST	<u>587.77</u>
INVOICE TOTAL	<u><u>\$ 5,116.53</u></u>

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IN ACCOUNT WITH

BURSTEIN & GREENGLASS LLP

BARRISTERS AND SOLICITORS

THE ROYAL BANK BUILDING
7481 WOODBINE AVENUE
SUITE 200
MARKHAM, ONTARIO
L3R 2W1

TELEPHONE: (905) 475-1266
FAX: (905) 475-7851
E-MAIL: burstein@bqlaw.ca
WEBSITE: www.bqlaw.ca

HST REGISTRATION #R119448066

Matter No: 13-4684
Client No: 2791

Invoice No. 25092

March 11, 2016

Collins Barrow Toronto Limited
Collins Barrow Place
11 King Street West
Suite 700
Toronto, Ontario
M5H 4C7

Attention: Arif N. Dhanani

CB
...referred to in the
affidavit of SARICA SANASIE
sworn before me, this 3rd
day of May
A COMMISSIONER OF THE

Re: Collins Barrow Toronto Limited, Court Appointed Receiver (hereinafter sometimes referred to as the "Vendor" and/or the "Receiver") Sale of property municipally known as 2267 Industrial Street, Burlington, Ontario (the "Property") to 2296355 Ontario Inc. (hereinafter sometimes referred to as the "Purchaser") and related transactions

TO PROFESSIONAL SERVICES RENDERED to the Receiver in connection with the above-noted matter, including receiving instructions from Receiver to act on its behalf;
To review of Motion Records and various Court Applications from time to time;
To obtaining copy of Court Order appointing Receiver and registering same on title;
To ultimately obtaining copy of Court Order permitting sale of Property and Vesting Order and arranging for registration thereof;
To receipt of pro forma Agreement of Purchase and Sale;

To review of same;
To making revisions thereto;
To assisting in finalizing Agreement of Purchase and Sale;
To discussions and correspondence with respect to attornment of rents;
To obtaining details of rent collected;
To obtaining details with respect to utilities;
To obtaining details with respect to utility accounts and meters;
To ascertaining arrears of utilities;
To ascertaining arrears of real estate taxes;
To obtaining real estate tax certificate;
To review of one Lease that client had obtained;
To ultimately receiving executed copy of Agreement of Purchase and Sale;
To requesting Utility Certificates;
To ascertaining who real estate agent was;
To receipt of confirmation that real estate commission would be paid out of closing proceeds received by Receiver;
To discussions with respect to payouts of Mortgagees;
To discussions from time to time with Jeffrey Larry, counsel to the Receiver with respect to Motions;
To providing Receiver with results of searches;
To arranging for subsearches of title from time to time;
To ascertaining that there was outstanding Execution;
To providing details of outstanding Execution to Receiver and to Jeffrey Larry;
To discussions with respect to timing of transaction in terms of preparing adjustments and closing;
To confirming that deposit had been paid;
To ascertaining which firm was acting for the Buyer;
To providing them with details of PIN and other documentation;
To providing copy of Court Order that was obtained;
To advising as to Application to obtain Vesting Order;
To providing copy of registered Order permitting vesting of title in Purchaser upon completion of transaction, free and clear of Mortgages, etc.;
To receipt of requisitions;
To replying to requisitions;
To preparing Document Registration Agreement;
To preparing Statement of Adjustments;
To preparing Bill of Sale;
To preparing Assignment of Leases;
To preparing HST Declaration;
To preparing Direction as to payment of funds;
To preparing Undertaking to Re-Adjust;
To forwarding draft documentation to Receiver;
To responding to Receiver's inquiries regarding documentation;
To receipt of draft documentation from Purchaser;
To review of same;
To finalizing same;
To receiving Certificate of Compliance by Purchaser;
To receipt of confirmation that Purchase Agreement was going to be assigned;

- To obtaining copy of Articles of Incorporation of Assignee;
- To receipt of request for documentation relating to Leases and environmental matters;
- To obtaining same from Receiver;
- To forwarding same to Purchaser's lawyer;
- To arranging for execution of all documentation by the Receiver;
- To making arrangements for release of keys;
- To making arrangements for direct deposit;
- To arranging to forward all closing documentation to Purchaser's lawyer;
- To arranging to receive all documentation from Purchaser;
- To receipt of funds in escrow;
- To arranging to release Transfer;
- To obtaining copy of registered Transfer;
- To arranging for payment of tax arrears;
- To arranging to have real estate agent release set of keys;
- To reporting to Receiver;
- To advising Assessment Department of change in ownership;
- To correspondence and telephone attendances throughout;

OUR FEE:

M Greenglass:	2.0 hrs x \$525.00:	\$ 1,050.00
E. Burstein:	26.8 hrs x \$525.00:	\$14,070.00
Clerk's time:	8.5 hrs x \$250.00:	<u>2,125.00</u>

TOTAL FEES: \$17,245.00**

**REDUCED TO: \$16,157.50
 plus HST @ 13%: 2,100.48

TOTAL FEES AND HST: \$18,257.98

DISBURSEMENTS:

Paid for courier charges	\$139.09
Paid for photocopies	129.15
Paid for postage	2.38
Paid for telephone charges	14.08
Paid for searches of title and Plan	98.00
Paid for Execution Certificate*	6.30
Paid for cheque certification	7.50
Paid for tax certificate	65.00
Paid for water & hydro arrears cert.	15.00
Paid registration fees*(2)	125.70
Service charges re registrations	26.00
Paid for corporation profile report	22.00
Paid for Reporting Books	35.00
Paid Law Society transaction levy	<u>65.00</u>

.....carried forward

TOTAL DISBURSEMENTS:	\$750.20	
plus HST @ 13%:	<u>80.37</u>	
TOTAL DISBURSEMENTS AND HST:		<u>830.57</u>
TOTAL FEES, DISBURSEMENTS AND HST:		\$19,088.55
LESS MONIES HELD IN TRUST:		<u>10,114.61</u>
NET AMOUNT NOW DUE AND OWING:		<u>\$ 8,973.94</u>

THIS IS OUR ACCOUNT HEREIN

BURSTEIN & GREENGLASS LLP

Per:



Edward Burstein

EB:mjdw

Total HST: \$2,180.85

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TRUST LEDGER STATEMENT

**Re: Collins Barrow Toronto Limited sale of
2267 Industrial Street, City of Burlington
File #13-4684**

DATE	PARTICULARS	DEBIT	CREDIT
March 1/16	Received balance due on closing		\$686,796.69
March 1/16	Paid to Treasurer, City of Burlington Realty tax arrears	\$ 12,215.66	
March 2/16	Paid Collins Barrow Toronto Limited	664,466.42	
March 11/16	Paid to Burstein & Greenglass LLP Partial fees and disbursements Invoice No. 25092	<u>10,114.61</u>	<u> </u>
	TOTAL	<u>\$686,796.69</u>	<u>\$686,796.69</u>

**FIRST SOURCE MORTGAGE
CORPORATION**

Applicant

vs. **2267 INDUSTRIAL STREET
INVESTMENTS LTD., et al.**

Respondents

Court File No. CV-15-4228-00

**ONTARIO
SUPERIOR COURT OF JUSTICE**
Proceedings commenced at
BRAMPTON

AFFIDAVIT OF SARITA SANASIE

**PALIARE ROLAND ROSENBERG
ROTHSTEIN LLP**
Barristers
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1

Jeff Larry (LSUC No. 44608D)
Tel: (416) 646-4300
Fax: (416) 646-4301

Lawyers for Collins Barrow Toronto Limited,
in its capacity as Receiver of the property
at 2267 Industrial Street, Burlington, Ontario

APPENDIX I

MORTGAGE DISCHARGE STATEMENT

TO: 2267 Industrial Street Investments Ltd.
 AND TO: Campese & Wuebbolt (Same Campese)
 RE: Second Mortgage in favour of Marlene Joan Dotzlaw
 2267 Industrial Street, Burlington, Ontario
 Our file no. 130542

Calculated as at April 1st, 2016

Principal and interest due as at April 1 st , 2016	\$165,057.85
(a) Late payment fee – article 2(i)	350.00
(b) Failure to provide proof of Jan. payment – article 2(iv)	350.00
(c) Failure to provide post-dated cheques – article 2(vi)	350.00
(d) Request for discharge statement – article 2(ix)	350.00
(e) Default under first mortgage – article 2(x)	350.00
(f) Three months' bonus – article 7	1,050.00
Per diem: \$36.79	<u>\$167,857.85</u>
1. Certified cheque payable to <u>MARLENE JOAN DOTZLAW</u>	<u>\$167,857.85</u>
Discharge fee	\$450.00
HST	58.50
EREG discharge registration fee	74.72
	<u>\$583.22</u>
2. Certified cheque payable to <u>TANNAHILL, LOCKHART & CLARK</u>	<u>\$583.22</u>

Dated this day of April, 2016.


 Marlene Joan Dotzlaw

**FIRST SOURCE MORTGAGE
CORPORATION**

Applicant

vs.

**2267 INDUSTRIAL STREET
INVESTMENTS LTD., et al.**

Respondents

Court File No. CV-15-4228-00

**ONTARIO
SUPERIOR COURT OF JUSTICE**
Proceedings commenced at
BRAMPTON

MOTION RECORD

**PALIARE ROLAND ROSENBERG
ROTHSTEIN LLP**

Barristers

155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1

Jeff Larry (LSUC No. 44608D)

Tel: (416) 646-4300

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Lawyers for Collins Barrow Toronto Limited,
in its capacity as Receiver of the property
at 2267 Industrial Street, Burlington, Ontario