

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

2292912 ONTARIO INC.

Applicant

-and-

2380009 ONTARIO LIMITED

Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3
as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

MOTION RECORD
(Returnable May 29, 2017)

May 11, 2017

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TABLE OF CONTENTS

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TABLE OF CONTENTS

Tab	Description	Page No.
1	Notice of Motion dated May 11, 2017	1 – 12
2	First Report of the Receiver of 2380009 Ontario Limited dated May 11, 2017	13 – 45
	<u>Appendices</u>	
A	Appointment Order dated February 7, 2017	46 – 61
B	Corporation Profile Report re 2380009 Ontario Limited generated May 4, 2017	62 – 66
C	Corporation Profile Report re BuiltRite Technologies Inc. generated May 4, 2017	67 – 71
D	Property Management Agreement dated February 7, 2017	72 – 90
E	Lease dated January 15, 2014	91 – 101
F	Torkin Manes Correspondence to Mr. Lathem	102 – 106
G	April 18, 2017 E-mail Correspondence between Torkin Manes and Mr. Lathem	107 – 110
H	April 24, 2017 Correspondence from Mr. Lathem	111
I	April 26, 2017 E-mail Correspondence from Mr. Lathem	112 – 113

Tab	Description	Page No.
J	Colliers Appraisal (Confidential) – filed separately	–
K	Altus Appraisal (Confidential) – filed separately	–
L	Summary of Altus and Colliers appraised values (Confidential) filed separately	–
M	Summary of Listing Proposals (Confidential) - filed separately	–
N	Listing Agreement	114 – 116
O	Realtor’s Comments on Lease	117 – 126
P	Notice and Statement of Receiver dated February 16, 2017	127 – 129
Q	Interim Statement of Receipts and Disbursements (Period February 7, 2017 to April 30, 2017)	130
R	Affidavit of Daniel Weisz sworn May 11, 2017	131 – 152
S	Affidavit of Barry A. Cohen sworn May 11, 2017	153 – 173

TAB 1

Court File No. CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
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BETWEEN:

2292912 ONTARIO INC.

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-and-

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Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

NOTICE OF MOTION

Collins Barrow Toronto Limited, the Court-Appointed Receiver (the “Receiver”) over the assets and undertakings of 2380009 Ontario Limited (“238”) will make a Motion to a Judge presiding over the Commercial List on Monday, May 29, 2017 at 10:00 a.m., or as soon after that time as the Motion can be heard at the court house, 330 University Avenue, 7th Floor, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING: The Motion is to be heard (choose appropriate option)

in writing under subrule 37.12.1(1) because it is (insert one of on consent, unopposed or made without notice);

in writing as an opposed motion under subrule 37.12.1(4);

orally.

THE MOTION IS FOR:

- (a) An Order abridging the time for service and filing of the within Motion, declaring that service of this Motion has been validly effected on all necessary parties and declaring that this Motion is properly returnable today;
- (b) An Order authorizing the Receiver to list for sale the property known municipally as 2370 South Sheridan Way, Mississauga, Ontario (the "Property"), pursuant to the terms of a listing agreement with CBRE Limited ("CBRE") and engaging CBRE as the Receiver's agent for the purpose of marketing the Property for sale;
- (c) An Order authorizing the Receiver to market the Property for sale to prospective purchasers on a vacant possession basis, specifically, free and clear of the tenancy or other interest of the current lessee of the premises, BuiltRite Technologies Inc. ("BuiltRite");
- (d) An Order requiring BuiltRite and/or 238 to provide to the Receiver or its agent reasonable access to the Property during business hours for the purpose of showing the Property to potential purchasers, authorizing the Receiver to place signage on the Property advertising the Property for sale, provided such signage complies with all applicable laws and does not unreasonably interfere with BuiltRite's business operations, and requiring BuiltRite and 238 to cooperate with the Receiver generally in allowing the Property to be shown to prospective purchasers;
- (e) An Order authorizing the Receiver to terminate, on 60 days' written notice to both BuiltRite and 238, the Lease dated January 15, 2014 (the "Lease") between 238 as landlord and BuiltRite as tenant and requiring BuiltRite to vacate the premises in

accordance with any such termination notice, and to leave the premises in a proper state of cleanliness and repair upon vacating;

- (f) An Order authorizing the Receiver to enter into an Agreement of Purchase and Sale in respect of the Property with a prospective purchaser, conditional upon Court approval of any proposed sale of the Property;
- (g) An Order declaring that any interest in the Property created by the Lease is subordinate to all charges registered against title to the Property and identified in the Receiver's First Report to Court;
- (h) An Order declaring that, until such time as the Receiver terminates the Lease pursuant to the terms of this Order and the tenant vacates the Property (the "Interim Order Period"), the Lease shall continue in full force and effect according to its terms, and requiring BuiltRite to abide by all terms of the Lease during the Interim Order Period, including, without limitation, the payment of basic rent, additional rent and HST, failing which the Receiver may terminate the Lease in accordance with the terms thereof;
- (i) An Order approving the First Report to Court of the Receiver and the activities of the Receiver outlined therein;
- (j) An Order approving the fees and disbursements of the Receiver and its counsel as shown in the Fee Affidavits filed in support of this Motion;
- (k) A sealing Order in respect of confidential exhibits "J", "K", "L" and "M" of the Receiver's First Report to Court;

- (l) Such further and other Relief as counsel may request and to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE

- (a) Pursuant to a Receivership Order dated February 7, 2017 issued by the Honourable Justice Newbould of the Commercial List, Collins Barrow Toronto Limited was appointed as Court-Appointed Receiver over the assets and undertaking of 238.
- (b) 238, an Ontario corporation, is the current registered owner of the Property.
- (c) The Property consists of 3.7 acres of land located in the City of Mississauga and includes a 78,964-square foot, free-standing industrial building (the “Building”). The Building comprises approximately 56,000 square feet of industrial area and 11,000 square feet of office space, together with a usable basement space.
- (d) The Receivership Order was issued on the application of 2292912 Ontario Inc. (“229”), the holder of the first-ranking mortgage registered against title to the Property.
- (e) In support of the receivership application, the Applicant filed the Affidavit of Andrew Jones, Vice-President of Timbercreek Mortgage Servicing Inc., the administrator of 229, sworn April 29, 2016. According to Mr. Jones’ affidavit:
 - (i) 238 defaulted in payment of the 229 mortgage in September, 2015;
 - (ii) On or about September 18, 2015, 229 issued written demand for payment of arrears, which was not complied with;

- (iii) On October 13, 2015, a second demand was sent by 229 to 238 requiring payment in full of the total outstanding amount secured by the mortgage.
- (f) A tax certificate appended as an exhibit to Mr. Jones' Affidavit indicates that, as of October 8, 2015, the amount of \$332,889.87 was owing for municipal taxes, including taxes of \$162,302.57 for 2014, and \$170,587.30 for 2015.
- (g) BuiltRite is the sole occupant of the Property and carries on a manufacturing business. Elias Mancebo ("Mancebo") is the sole officer and director of BuiltRite. Mancebo is also recorded as the sole officer and director of 238. In other words, BuiltRite and its landlord are related entities, controlled by the same director.
- (h) The current parcel page for the Property shows four other mortgages registered against title.

The Lease

- (i) As stated above, 238 and BuiltRite are related parties and, therefore, the Lease dated January 15, 2014 is a non-arm's length Lease. The evidence suggests that the Lease does not represent a true reflection of the negotiation of commercial terms by truly arm's-length parties.
- (j) The evidence also suggests that the Lease was prepared under questionable circumstances. Specifically:
 - (i) Starting in 2015, Computershare, the prior holder of the mortgage, and later 229 have attempted to enforce the mortgage in question and there is considerable history to that proceeding, including numerous adjournments,

requested by 238 to purportedly re-finance the Property. This never occurred. Despite the service of a Notice of Sale and Notice of Attornment of Rents on 238/BuiltRite and despite the considerable history to this matter, the existence and specific terms of the Lease do not appear to have been specifically brought to the attention of 229 prior to the appointment of the Receiver despite several requests by 229 for same;

- (ii) The solicitor whose name appears as counsel for 238 in the “Notice” section of the Lease has advised counsel to the Receiver that his office was not in fact involved in the preparation of the Lease and did not represent 238 in connection with the Lease, as the “Notice” section of the Lease would suggest. The name of counsel, according to counsel named in the Lease, was apparently added to the Lease without the knowledge or consent of the counsel whose name appears thereon. The solicitor who purportedly acted as counsel for the tenant is deceased.

Analysis of the Lease

- (k) As part of the process of canvassing potential listing agents for the Property, the Receiver requested that three real estate brokers each provide estimated selling values for the potential value of the Property and marketing strategies in respect of the Property.
- (l) Two of the real estate brokerages canvassed by the Receiver provided details of how the Lease’s terms are unusual for a commercial lease and are financially unfavourable to the landlord and significantly detracts from the market value of the

Property. Both real estate brokerages have expressed the view that the Property would be worth a significantly higher amount if the Property could be sold on a vacant possession basis (i.e. without the financial burdens imposed on the landlord by the Lease). The various aspects of the Lease that lead the Receiver to conclude that the Lease is heavily weighted in favour of the tenant are summarized in the Receiver's First Report to Court, and include lower-than-market base rent, unfavourable renewal terms and unusual and uneconomic (from the landlord's perspective) terms regarding the tenant's fixed sum monthly contribution to the landlord for payment of municipal taxes.

Non-Payment of HST

- (m) The Receiver has ascertained that, since the inception of the term of the Lease, the tenant has been paying rent at the flat rate of \$18,000 per month, without remitting HST. In other words, from its inception, the Lease has been in default and continues in default. The Receiver has seen no evidence of 229 taking any steps against 238 to enforce its rights for breach of covenant or to recover HST arrears.

Attempts to Obtain Information Regarding the Lease

- (n) Since its appointment, the Receiver, and its counsel, have taken steps to obtain from 238 information regarding various matters, including the status and the origins of the Lease. These efforts have included exchanges of e-mails between the representatives of the Receiver and representatives of 238/BuiltRite, along with communications between counsel for the Receiver and the lawyer who is noted as counsel for the landlord in the "Notice" section of the Lease.

Necessity to Terminate the Lease

- (o) The Receiver is concerned that the Lease could represent an attempt by 238 to encumber the Property to the detriment of 238's creditors, but to the benefit of BuiltRite's creditors and shareholders, and could constitute evidence of an intent on the part of 238, with the active assistance of BuiltRite, to hinder, defeat or delay the creditors of 238.
- (p) Specifically, the Receiver is concerned by the possibility that the intention of the parties to the Lease may have been to ensure that, if default occurred on the mortgage and the Property is sold under Power of Sale or sold by a Receiver, BuiltRite will maintain its tenancy paying below-market rent along with having the benefit of the other terms of the Lease that disfavors the landlord.
- (q) Selling the Property with the Lease in place will result in a lower recovery for 238's creditors. If the Property is sold subject to the Lease, a purchaser could be expected to pay a discounted price to reflect the under-market lease terms of the Lease. The purchaser could then be in a position to elect to terminate this Lease at the first opportunity and sell the Property on a vacant basis or re-let the Property at market rates. In other words, a significant upside economic benefit could in short order be realized by a purchaser, at the expense of the creditors of 238.
- (r) The Receiver is of the view that there is a basis on which to conclude that the execution of the Lease by the parties thereto could, on its face, constitute oppression pursuant to s. 248 of the Ontario *Business Corporations Act*, or a

fraudulent transaction pursuant to the *Fraudulent Conveyances Act* or the *Assignments and Preferences Act*.

Proposed Listing of the Property

- (s) The Receiver proposes to list the Property for sale using CBRE as its listing agent pursuant to a listing agreement attached as a confidential appendix to the Receiver's First Report, on a non-priced bid date process basis.

Business Operations of BuiltRite

- (t) The Receiver has met with representatives of 238/BuiltRite and has attended at the premises. The Receiver appreciates and understands that BuiltRite operates an active business from the premises and that the termination of the Lease could have an adverse effect on BuiltRite's business.
- (u) The Receiver has considered the interests of all relevant parties in this matter and has come to the conclusion that the greatest overall benefit for 238's creditors will be achieved if the Property is able to be marketed to potential purchasers on both an occupied, or on a vacant-tenancy basis, without the Lease.
- (v) The Receiver is therefore requesting the authority to terminate the Lease, if it deems it necessary to do so, on 60 days' written notice to BuiltRite and 238

Relevant Sections of the Receivership Order

- (w) The Receivership Order appointing the Receiver contains the following clauses:

3...

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any

obligations in the ordinary course of business, **cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor** [emphasis added];

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

...

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

...

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

(x) Based on the above sections, the Receiver is empowered to apply to the Court for the Order sought.

(y) The Receiver's conduct, as outlined in the First Report, to Court is reasonable and ought to be approved by the Court.

(z) The Receiver's fees and those of its counsel are reasonable and ought to be approved by the Court.

(aa) Such further and other grounds as the lawyers may advise.

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

(a) The First Report of the Receiver;

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

May 11, 2017

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TO: **THE SERVICE LIST**

RCP-E 37A (July 1, 2007)

2292912 ONTARIO INC.
Applicant

-
-and- 2380009 ONTARIO LIMITED
Respondent

Court File No. CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION

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RCP-E 4C (May 1, 2016)

TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

2292912 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

Respondent

FIRST REPORT OF THE RECEIVER OF
2380009 ONTARIO LIMITED

May 11, 2017

Table of Contents

I. INTRODUCTION	1
II. BACKGROUND	4
III. RECEIVER'S ACTIVITIES TO DATE	6
IV. THE LEASE	10
V. APPRAISALS	20
VI. LISTING PROPOSALS	21
VII. THE LEASE AND THE SALE OF THE SHERIDAN PROPERTY	24
VIII. SECURED OR PRIORITY CLAIMS	27
IX. STATUTORY NOTICES AND REPORTS	28
X. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS	28
XI. PROFESSIONAL FEES	28
XII. CONCLUSION	29

Appendices

Appointment Order	A
238 Corporation Profile Report	B
BuiltRite Corporation Profile Report	C
Management Agreement	D
BuiltRite Lease	E
Torkin Manes Correspondence to Mr. Lathem of April 6, 12 and 18	F
April 18 Correspondence between Torkin Manes and Mr. Lathem	G
April 24 Correspondence from Mr. Lathem	H
April 26 Correspondence from Mr. Lathem	I
Colliers Appraisal (Confidential)	J
Altus Appraisal (Confidential)	K

Summary of Altus and Colliers appraised values (Confidential)	L
Summary of Listing Proposals (Confidential).....	M
Listing Agreement.....	N
CBRE and Avison Young Comments on Lease.....	O
Notice and Statement of Receiver	P
Interim Statement of Receipts and Disbursements.....	Q
Affidavit of Daniel Weisz	R
Affidavit of Barry A. Cohen, Q.C.	S

I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) (“**Court**”) dated February 7, 2017 (the “**Appointment Order**”), Collins Barrow Toronto Limited (“**CBTL**”) was appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of 2380009 Ontario Limited (“**238**” or the “**Debtor**”) acquired for, or used in relation to the business carried on by the Debtor, including all proceeds thereof (the “**Property**”). A copy of the Appointment Order is attached to this report as Appendix “**A**”.
2. The Appointment Order authorizes the Receiver to, among other things:
 - take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, **cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor** [*emphasis added*];
 - receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor; and
 - market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.

-
3. Paragraph 21 of the Appointment Order authorizes the Receiver to borrow monies to fund the exercise of the powers and duties conferred upon the Receiver by the Appointment Order from time to time, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as the Court may by further order authorize), which advance(s) are secured by way of a fixed and specific charge over the Property (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person, but subordinate in priority to the Receiver's Charge (as defined therein) and the charges as set out in sections 14.06(7), 81.4(4) and 81.6(2) of the Bankruptcy and Insolvency Act.
4. The Appointment Order referred to in this report, together with related Court documents, has been posted on the Receiver's website, which can be found at <http://www.collinsbarrow.com/en/cbn/current-engagements-toronto/2380009-Ontario-Limited>.

Purpose of First Report

5. The purpose of this first report of the Receiver (the "**First Report**") is to:
- (a) report to the Court on the activities of the Receiver since the date of the Appointment Order to April 30, 2017;
 - (b) report to the Court on the "Commercial Lease" dated January 15, 2014 and its terms, which lease is entered into between the Debtor as Landlord and BuiltRite Technologies Inc. ("**BuiltRite**") as Tenant (the "**Lease**");

-
- (c) report to the Court on the appraisals the Receiver has obtained in respect of the Sheridan Property (defined below);
 - (d) report to the Court on the listing proposals received by the Receiver for the sale of the Sheridan Property;
 - (e) seek an order sealing Appendices “J”, “K”, “L” and “M” of the First Report;
 - (f) seek an order approving the Receiver entering into a listing agreement with CBRE Limited (“**CBRE**”) for the marketing for sale of the Sheridan Property;
 - (g) seek an Order that each of 238 and BuiltRite shall fully cooperate with the Receiver and CBRE in allowing the Sheridan Property to be viewed by prospective purchasers;
 - (h) seek an Order that the Lease is to be of no force and effect on the Lease Termination Date (defined below) and that BuiltRite is required to (i) vacate the Sheridan Property by no later than the Lease Termination Date and (ii) to leave the Sheridan Property in a proper state of cleanliness and repair upon vacating;
 - (i) provide the Court with a summary of the Receiver’s cash receipts and disbursements for the period February 7, 2017 to April 30, 2017;
 - (j) seek the Court’s approval of the First Report and the Receiver’s conduct and activities described herein; and
 - (k) seek an order approving the fees and disbursements of the Receiver and of the Receiver’s counsel, Torkin Manes LLP (“**Torkin Manes**”) to April 30, 2017.

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.

II. BACKGROUND

8. 238 is an Ontario corporation incorporated on July 9, 2013 and appears to be a single purpose corporation holding legal and beneficial title to certain lands and a free standing industrial building located thereon at 2370 South Sheridan Way, Mississauga, Ontario (the “**Sheridan Property**”).
9. According to a corporate search dated May 4, 2017, Elias Mancebo is the sole director, President, Secretary and Treasurer of 238. The Receiver understands

that Mr. Mancebo is a shareholder of 238. A copy of the corporate search for 238 is attached to this report as Appendix "B".

10. The building located on the Sheridan Property encompasses approximately 78,964 square feet, of which BuiltRite pays rent on the gross leasable area of approximately 67,000 square feet (which excludes the basement area). The building has been occupied by a single tenant, BuiltRite, since February 1, 2014 and BuiltRite has exclusive usage of the entire building including the basement area. The Receiver is not aware of any space in the building being occupied by 238 or any other party.
11. BuiltRite is an Ontario corporation, incorporated on January 7, 2014. According to a corporate search dated May 4, 2017 Elias Mancebo is the sole director, President, Secretary and Treasurer of BuiltRite. A copy of the corporate search for BuiltRite is attached to this report as Appendix "C".
12. The Applicant, 2292912 Ontario Inc. ("**229**"), is the registered holder of a first mortgage on the Sheridan Property, which mortgage was assigned from Computershare Trust Company of Canada to 229 on March 23, 2016 (the "**Mortgage**").
13. Due to the Debtor being in default of its obligations under the Mortgage and property taxes arrears in the amount of \$332,889.87 on the Sheridan Property as set out on a tax certificate dated October 8, 2015 from the City of Mississauga, following demands to rectify the breaches, a Notice of Application dated April 19, 2016 ("**Application**") was instituted by 229 seeking the appointment of the Receiver.

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14. Following requests by the Debtor to 229, the hearing date of 229's Application was adjourned several times, with the last adjournment being to February 7, 2017. On February 7, 2017, the Court made the Appointment Order and CBTL was appointed as Receiver of 238.
 15. Torkin Manes is counsel to the Receiver.
 16. At a meeting held at the Sheridan Property on February 8, 2017 with Elias Mancebo and Marcelo Hernandez, who the Receiver understands is also a shareholder of 238, (the "**February 8 Meeting**"), the Receiver was advised by them that no financial statements had been prepared for 238 since 238's inception in 2014. Accordingly, the Receiver is administering the receivership on the assumption that the only assets of 238 are the Sheridan Property and amounts that may be owing to 238 by BuiltRite.
 17. Based on verbal advice provided to the Receiver at the above-noted meeting, the majority of the shares of BuiltRite are owned by the shareholders of 238. The sole director of each of 238 and BuiltRite is Mr. Mancebo.

III. RECEIVER'S ACTIVITIES TO DATE

Possession and Control

18. As at the date of the Appointment Order, the Sheridan Property was occupied by BuiltRite, and it continues to occupy the Building. The Receiver understands that the Lease governs BuiltRite's right of occupancy and, accordingly, the Receiver did not take possession of the Sheridan Property or change the locks to same. On February 10, 2017, the Receiver sent a letter to BuiltRite notifying it of the

Receiver's appointment and requesting that monthly payments in connection with its occupation of the Sheridan Property be remitted to the Receiver.

19. The Debtor, following requests by the Receiver, provided the Receiver with copies of bank statements for accounts that 238 held at Bank of Montreal ("**BMO**") and Royal Bank of Canada ("**RBC**"). The Receiver notified BMO and RBC of the appointment of the Receiver and instructed BMO and RBC to freeze the Debtor's accounts. The Receiver determined that the BMO account was overdrawn and the RBC account had a balance of \$1.09 as of January 31, 2017 and, accordingly, took no further action with respect to these bank accounts. The Receiver is not aware of any other bank accounts operated by 238.
20. As 238 and BuiltRite have the same mailing addresses, the Receiver was not able to effect a redirection of 238's mail. The Receiver has notified Mr. Hernandez that all mail addressed to 238 is to be forwarded to the Receiver.

Property Manager

21. In order to minimize the Receiver's involvement in, and costs of, addressing the day-to-day issues at the Sheridan Property, the Receiver entered into a property management agreement with Sterling Karamar Property Management ("**Sterling**") for Sterling to provide property management services at the Sheridan Property. A copy of the property management agreement is attached to this report as Appendix "**D**". The services provided by Sterling include regular site inspections and dealing with building maintenance issues.

Insurance

22. Prior to the appointment of the Receiver, 238 had placed insurance coverage for the Sheridan Property with Aviva.
23. The Receiver notified Canfinse Group Inc. (“Canfinse”), the insurance broker 238 advised was its broker, of the Receiver’s appointment and confirmed that 238’s policy with Aviva Insurance Company of Canada (“**Aviva**”) was still in force. The insurance broker confirmed that premiums for the current policy period ending August 15, 2017 were paid by the Applicant prior to the receivership.
24. The Receiver requested that it be added to the Aviva policy as a named insured and that Sterling be added as an additional insured party to the policy. To date, the Receiver has not received confirmation from Aviva that these changes have been made to the policy. As a result, the Receiver has obtained a separate insurance policy that provides for liability insurance coverage for the Receiver and Sterling.
25. The Receiver has also been advised by Canfinse that Aviva will not renew 238’s insurance coverage at the end of the policy period. Accordingly, the Receiver will seek alternative insurance coverage in due course.

Books and Records

26. At the February 8 Meeting, the Receiver discussed with Messrs. Hernandez and Mancebo the receivership and information the Receiver required from the Debtor. While some of the information requested at that meeting or subsequently has been provided to the Receiver, certain records have not been provided as of the date of the First Report, including the following:

- copies of the most recent notices of assessment and past two years of statutory remittances;
- copies of the past two years' corporate tax returns;
- copies of the 2014 and 2015 bank statements with cancelled cheques and bank reconciliations;
- Certificate of Insurance confirming that BuiltRite has an insurance policy in place for the Sheridan Property;
- confirmation that the outstanding balance on 238's Enbridge account for the Sheridan Property has been paid and proof of payment (as the Receiver wanted confirmation that the tenant was paying the utilities being consumed at the Sheridan Property);
- copy of the most recent hydro bill/statement from Alectra Utilities (formerly Enersource); and
- information as to whether the monthly payments of \$18,000 paid to Timbercreek Mortgage Servicing Inc. by BuiltRite, on behalf of 238 prior to the receivership, and made pursuant to a Direction re Funds that is attached to the copy of the Lease provided to the Receiver, were **inclusive, or exclusive**, of HST.

27. The Receiver's requests for this information were made by 5 separate e-mails to 238 sent on February 17 and 23, and March 1, 10, and 29, 2017. On April 7, and again on April 25, 2017, the Receiver sent a further letter by e-mail to both Messrs. Hernandez and Mancebo requesting the above information. As this information still has not been provided to the Receiver by 238, the Receiver intends to examine Mr. Hernandez and/or Mr. Mancebo under oath to obtain the information not otherwise received from other sources by the Receiver.

Property Taxes

28. A City of Mississauga tax statement dated March 2, 2017, shows property tax arrears exist in the amount of \$301,601.28 as of March 2, 2017. \$60,015 of the arrears is owed for 2017 taxes, approximately \$233,000 is owed for 2016 and 2015 taxes, and \$8,825 is owed for 2014 and prior years.
29. Prior to the appointment of the Receiver, 238's tax account had been assigned by the City of Mississauga to a bailiff, Barton & Company (Bailiffs) Ltd., which was empowered to seize any goods and chattels of the Debtor or to attorn rents to recover outstanding property taxes.
30. The Receiver has notified the City of Mississauga and the bailiff of the appointment of the Receiver and the resulting stay of proceedings against 238.
31. A further tax instalment of \$44,453.28 was payable on April 3, 2017 in respect of 2017 taxes. The Receiver has not made the April instalment and does not have funding to pay the outstanding prior periods' taxes of \$301,601.28 and any ensuing interest and penalties thereon.

IV. THE LEASE

32. On February 7, 2017, the Receiver requested and received from Mr. Hernandez a copy of the Lease. A copy of the Lease is attached to this report as Appendix "E".
33. As set out in the affidavit of Andrew Jones sworn April 29, 2016, 229 had minimal information as to the terms under which BuiltRite occupied the Sheridan Property. The Receiver is advised that between April 29, 2016 and February 2, 2017, as well as prior, no copy of a lease agreement was ever provided to 229.

34. The Lease, ultimately provided to the Receiver following its appointment, includes, among others, the following terms:

- the leased premises comprise 66,823 square feet (which encompasses essentially all of the Sheridan Property, excluding the basement);
- the initial term of the Lease is for a period of ten (10) years commencing February 1, 2014 and ending on January 31, 2024;
- provided the Tenant is “not currently” in default under any provision of the Lease, the Tenant has the right to renew the Lease for a term of ten (10) years consisting of 2 x five (5) year terms upon the same terms and conditions as contained in the Lease, save and except for the amount of Basic Rent;
- Basic Rent is payable at an aggregate rate of \$216,000 per year, payable \$18,000.00 monthly, from February 1, 2014 to January 31, 2019;
- Basic Rent will be payable at an aggregate rate of \$240,000 per year, payable \$20,000.00 monthly, from February 1, 2019 to January 31, 2024;
- the Tenant agrees to pay the Landlord the sum of \$7,500.98 per month as Additional Rent as a fixed monthly contribution by the Tenant on account of municipal property taxes during both the 10 year initial term and each of the two 5 year renewals, if renewed, however the \$7,500.98 monthly contribution is not payable during the first five (5) years of the Lease as it is “a reimbursement to leasehold improvements provided by the tenant”;
- all rents are subject to Harmonized Sales Tax (HST);

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- the Tenant is responsible for the cleaning and maintenance of the Premises. The Landlord is liable for any personal injuries incurred by any person due to the Tenant's failure to repair, maintain or clean the Premises;
 - the Tenant is responsible to pay for its own water, electricity, gas, heating, telephone, fire alarm or security systems, and any rental equipment or other service supplying the Premises;
 - the Landlord is responsible and is to pay for all municipal realty taxes and local improvement rate assessed against the Premises and the Tenant is to make a fixed non variable financial contribution thereto as set out in the Lease;
 - the Tenant shall carry business insurance in its own name with respect to (i) third party or public liability claims, (ii) risk of business interruption, (iii) Tenant equipment, chattels, inventory, property and leasehold improvements, and (iv) plate glass damage; and
 - Notice to be provided under the Lease to the Landlord is to be given to: Mark Lathem LLP c/o 2380009 Ontario Limited at the mailing address 588 Edward Avenue, unit 49, Richmond Hill, Ontario L4C 9Y6. Notice to the Tenant is to be given to the Tenant at the Premises.

Capitalized terms in this paragraph, if not otherwise defined in this First Report, are as defined in the Lease.

35. The Receiver notes that many terms of the Lease do not appear to be typical of standard net net commercial leases and notes the following concerns with the lease terms:

Subject	Lease Term	Comment
Area Rent Payable on	Rent is paid on 66,823 sq. ft. (the gross leasable area)	Building consists of 78,964 sq. ft. The Lease does not refer to approximately 12,000 sq. ft. that comprises the basement which houses certain equipment, storage and eating areas used by the Tenant.
Base Rent	<p>\$18,000 a month (\$216,000 per annum) plus HST for first 5 years</p> <p>\$20,000 a month (\$240,000 per annum) plus HST for next 5 years</p>	<p>Base rent (\$3.23 per sq. ft. for first 5 years) appears to be below what market base rent was at date of the Lease.</p> <p>The Receiver is advised "market" base rent as at February 1, 2014 was in the range of \$4.75 per sq. ft. for comparable buildings.</p>
Renewal Options	If not in default, two (2) five (5) year options at base rent to be agreed plus HST	All other terms and conditions remain the same.
Realty Taxes Contribution During Initial 10 Year Term	Tenant to contribute towards realty taxes by paying a fixed amount of \$7,500.98 per month throughout the first 10 years	No payment on account of realty tax contribution in the first 5 years as a "reimbursement" to leasehold improvements provided by the Tenant.
Realty Tax Contribution during each of the two/five year renewal options	Tenant pays \$7,500.98 per month as a contribution towards realty taxes throughout both renewal periods (if exercised)	<p>It is to be noted that there is no increase in the annual Tenant realty tax contribution from \$7,500.98 throughout a potential 20 year period, while realty taxes are expected to continue to increase throughout the 20 year period.</p> <p>This means the effective net base rent received by the Landlord during the initial 10 year term will decrease each year, thereby impacting the return on investment since the "net return" to the Landlord erodes yearly as the gap between the \$90,011.76 (12 x \$7,500.98) annual realty tax</p>

Subject	Lease Term	Comment
		<p>contribution and the actual amount of tax paid by the Landlord widens.</p> <p>It is unusual that realty taxes in a single tenant building are not fully paid for by the Tenant or, at a minimum, the amount payable by the tenant is not indexed for inflation and/or has an incremental increase over the fixed initial contribution.</p>
Tenant Improvements	The Tenant is not to pay the fixed \$7,500.98 monthly contribution towards realty taxes in the first five years as a reimbursement to leasehold improvements by Tenant	<p>There is no covenant by the Tenant to expend at least \$450,000 in tenant improvements, nor are the tenant improvements spelled out. In addition, there is no requirement for the Tenant to (i) seek prior Landlord approval for any improvements to the Sheridan Property and (ii) provide evidence such improvements comply with all by-laws, rules and regulations, or to provide evidence that all permits have been obtained. There is also no obligation on the Tenant to provide confirmation all trades are paid in a timely manner.</p> <p>The result of the tenant leasehold improvements reimbursement is that for the first 5 years of the term, 100% of realty taxes fall on the Landlord thereby dramatically reducing the return on investment and net rent received.</p> <p>In the second 5 years, while rent increases by \$2,000 per month (\$24,000 per annum) as per the Lease, it is to be expected that base rental for a similar type building will increase as will realty taxes. The end result is that base rent will continue to not reflect market rent, and the cost to the Landlord of the balance payable by it for realty taxes will effectively reduce net base rent further below market rent and thus further erode the "true" net base rent received by the Landlord.</p>

Subject	Lease Term	Comment
Insurance	Tenant pays for and carries in its name only (i) third party liability insurance (ii) business interruption (iii) tenant equipment, chattels, inventory, property and leasehold insurance; (iv) plate glass insurance	<p>Tenant does not pay towards building insurance, third party liability insurance covering Landlord (even though Tenant occupies entire building), does not cover rental insurance in case of business interruption due to fire, substantive damage etc. (which means Landlord is responsible for mortgage payments but recovers no rental loss coverage unless it takes out its own insurance)</p> <p>These coverages are normally the responsibility of a Tenant in a true "net net" lease</p> <p>Failure to so provide means possible further reduction in net return on investment to an owner/Landlord.</p>
Cleaning and Maintenance	<ul style="list-style-type: none"> • Tenant responsible for cleaning and interior maintenance of premises • Landlord liable for any personal injuries to any party due to Tenant's failure to repair, maintain or clean its premises 	<p>Usual net lease provides that Tenant is liable for such injuries and Landlord is shown as a named insured on the Tenant's liability insurance policy.</p> <p>The usual provision is for the Tenant to be responsible for same. This is a reversal of onus onto the Landlord.</p>

36. The Receiver believes the lease terms are heavily weighted in favour of the Tenant and are not reflective of a usual net lease whereby the Landlord passes all operating expenses, realty taxes, insurance, maintenance etc. onto the Tenant as "Additional Rent".
37. The monthly base rent during the first five years, set at \$18,000 plus HST, matches the \$18,000 monthly payments due by the Landlord to the first mortgagee, rather than having been set to reflect current and anticipated future base rental rates.

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38. Given the fact both the Landlord and Tenant have the same director and the majority of the shares of 238 and BuiltRite are owned by Messrs. Mancebo and Hernandez, it appears that this lease was not treated as an arms-length negotiated lease reflecting market rate and usual net lease terms.
 39. As a result of the aforementioned lease terms, the Receiver was of the preliminary view that the Lease is balanced heavily in favour of BuiltRite, to the detriment of 238 and its creditors.
 40. In order to determine whether the Receiver's impression was correct, the Receiver made enquiries to determine whether or not the Lease was negotiated in an arms-length manner by the landlord and tenant.
 41. On March 16, 2017, the Receiver asked Mr. Hernandez to advise the Receiver of the name of the lawyer who acted on behalf of BuiltRite at the time the lease with 238 was executed. Mr. Hernandez responded that the lawyer who acted "on our file for the lease is Matthew Joseal Igbinosun". The Receiver was not familiar with Mr. Igbinosun and "googled" that name. Based on the results that appeared on "Google", it appears to the Receiver that Mr. Igbinosun passed away in or about September 2014.
 42. On April 6, 2017, Torkin Manes wrote to Mr. Lathem who was named as the person to receive notice on behalf of 238 in connection with the Lease, and requested certain information from Mr. Lathem in connection with both the negotiation and finalization of the Lease. Torkin Manes reiterated its request on April 12 and 18, 2017. Copies of Torkin Manes' correspondence of April 6, 12 and 18 are attached to this report as Appendix "F".

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43. On April 18, 2017, Mr. Lathem advised Torkin Manes that he had changed law firms¹ and that “*This file would be in storage and it may not have a separate file per say (sic). I have yet to determine that.*” Further correspondence between Torkin Manes and Mr. Lathem ensued, in which Torkin Manes advised Mr. Lathem that the Receiver was prepared to wait until 5 p.m. on April 28th to receive the requested information, after which if not provided, the Receiver would commence the process to examine him under oath and to examine his file materials. A copy of the April 18, 2017 correspondence between Mr. Cohen of Torkin Manes and Mr. Lathem is attached to this report as Appendix “G”.
44. On April 24, 2017, Mr. Lathem responded to Torkin Manes and, inter alia, advised that:

“We have no file for this matter.”, “There is no electronic version of the lease on our hard drive which would be there if we had actually prepared it.”, and “I have no recollection of preparing a lease for either of these parties.”

A copy of the April 24, 2017 correspondence from Mr. Lathem is attached to this report as Appendix “H”.

45. On April 26, 2017, Mr. Lathem further wrote to Torkin Manes and advised that he had spoken to the client (238) regarding the lease and that:
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¹ Mr. Lathem is currently with Himelfarb Proszanski, the counsel which attended in court on behalf of 238 at the hearing of the Application for the appointment of the Receiver.

“They have confirmed that the lease was drawn by another lawyer and that we had no involvement this matter other than (sic) they used our address (without asking). I have also been advised that they provided the name of the lawyer to the receiver.”

A copy of the April 26, 2017 correspondence from Mr. Lathem is attached to this report as Appendix “I”.

46. The correspondence from Mr. Lathem indicates that, despite insertion of Mr. Lathem’s name and address in the Notice section of the Lease, he was never involved with the Lease. If this is correct, and based on Mr. Lathem’s comments that “I have also been advised that they provided the name of the lawyer to the receiver”, it appears the Lease was drawn by Mr. Igbinosun for both the Landlord and the Tenant.
47. The fact that the lease terms are not in keeping with usual net lease terms, including no realty tax contribution for the first five years and a fixed \$7,500.98 monthly realty tax contribution for the entire 10 year term and each 5 year renewal (10 years) if exercised, means the commercial value of the Sheridan Property on a sale is significantly depressed if the Lease remains in place.
48. To date, the Receiver has not acknowledged to BuiltRite that the Receiver accepts the Lease as a valid lease agreement. Notwithstanding, the Receiver notes that as of the date of this Report, BuiltRite is in breach of certain terms of the Lease, as follows:

Lease Obligation	Breach of Covenant
<p><i>Harmonized Sales Tax</i> The Tenant acknowledges that all rents are subject to a Harmonized Sales Tax (HST) under the Excise Tax Act of Canada.</p>	<p>HST has not been paid on the monthly lease payments of \$18,000 since inception of the lease to date. (Alternatively, if the \$18,000 is intended to include HST, BuiltRite has been paying rent of \$15,929.20, rather than the rent of \$18,000 prescribed under the Lease.) This means there is a shortfall in payment of at least \$82,832 in the aggregate for 40 months.</p>
<p><i>Insurance</i> The Tenant shall carry business insurance in his own name...The Tenant shall provide the Landlord with proof of the aforesaid Tenant's insurance forthwith upon demand of the Landlord.</p>	<p>On February 13, 17 and 23, March 1, 10 and 29, and April 7 and 25, 2017, the Receiver requested from the Tenant a Certificate of Insurance as proof of its insurance coverage. To date, no proof has been provided.</p>
<p><i>Utilities</i> The Tenant shall be responsible to pay for his own water, electricity, gas, heating, telephone, fire alarm or security systems, and any rental equipment or other service supplying the Premises</p>	<p>Enbridge has advised the Receiver that the gas bill was in arrears as of February 13, 2017, in the amount of \$10,517.81. The Tenant has failed to pay gas bills issued since the date of the Appointment Order. (In order to ensure that gas would be delivered to the Sheridan Property, the Receiver has paid \$3,585.59 to Enbridge in respect of charges incurred since February 7, 2017.) Despite requests made to BuiltRite by the Receiver regarding the status of the other utilities, BuiltRite has failed to provide the information to the Receiver</p>

49. As set out in Paragraph 66 of this report, the Receiver is seeking an Order authorizing it to terminate the Lease. Accordingly, the Receiver has taken no steps at this time to note the Lease in default, nor has the Receiver attempted to renegotiate the terms of the lease with BuiltRite.

V. APPRAISALS

50. In order to assist the Receiver to assess offers to be received during the proposed sales process, the Receiver retained Altus Group Limited (“**Altus**”) and Colliers International Realty Advisors Inc. (“**Colliers**”) to each provide the Receiver with their appraisals of the current market value of the Sheridan Property. As Altus and Colliers had both previously provided appraisals of the Sheridan Property to 229 (or its administrator), the Receiver believed it would be cost efficient to obtain appraisals from these parties as they were familiar with the Sheridan Property.
51. In view of the atypical terms noted in the Lease, the Receiver also asked the appraisers to provide for the Sheridan Property:
- an estimated current net market rental rate;
 - a current appraised value based on the existing terms of the Lease; and
 - a current appraised value assuming a lease was in place that reflected the estimated net market rental rate in (a) above.
52. Colliers’ appraisal, dated March 15, 2017, provides its estimate of the current market value of the Sheridan Property as at March 6, 2017. The Colliers appraisal states that a **negative aspect** of the Sheridan Property is that “The property is currently encumbered by a non-arms-length lease that is assumed to be enforceable should the building ownership be transferred. The non-arms-length lease is currently at rates considered to be under prevailing market rates, and has provision whereby the landlord pays municipal taxes for the first 5 years of the term, **which is not considered typical of market lease agreements.**” [*emphasis added*].

A copy of the Colliers appraisal is attached to this report at Confidential Appendix “J”.

53. The Altus’ appraisal, dated May 1, 2017, provides its opinion of the current market value of the Sheridan Property as of May 1, 2017. In its appraisal, Altus indicates that **BuiltRite’s net rental rate is significantly below market and that there is an under recovery of property taxes**. A copy of the Altus appraisal is attached to this report at Confidential Appendix “K”.
54. A summary of the Altus and Colliers estimated net market rental rates and appraised values of the Sheridan Property is attached to this report as Appendix “L”.
55. As set out in Confidential Appendix “L”, both the Colliers and Altus appraisals estimate that the current market value of the Sheridan Property with the Lease in place would **be substantially lower than if a lease with market rent and usual net lease terms was in place**. In its appraisal, Colliers indicates that its market value appraisal of the Sheridan Property with the Lease in place
- “has been adjusted to account for the **below market rent** **[emphasis added]**, and the provisions that the tenant does not pay taxes for the first five years (after which it only pays a portion) and that the tenant does not pay insurance as a reimbursable expense.”

VI. LISTING PROPOSALS

56. The Appointment Order authorizes the Receiver to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any

part or parts thereof, and negotiating such terms and conditions of sale as the Receiver, in its discretion, may deem appropriate.

57. In early March 2017, the Receiver invited three realtors, Avison Young, CBRE and Cushman Wakefield, to each submit listing proposals for the marketing and sale of the Sheridan Property.
58. In view of the atypical terms contained in the Lease, the Receiver requested that the realtors, in their listing proposals, include (a) the proposed listing price with the Lease in place and (b) if the realtor was of the view that the terms of the Lease do not reflect fair market rental terms, the proposed listing price assuming a lease in place that is reflective of fair market terms.
59. On March 28, 2017, each realtor attended at the Receiver's offices and presented their listing proposals. A representative of 229 attended the presentations as the Receiver believed that such attendance would assist the Receiver obtain the first mortgagee's support of the sales process to be pursued by the Receiver, including its willingness to make further advances to the Receiver by way of Receiver's Certificate to allow the Receiver to carry out its mandate.
60. A summary of the (3) listing proposals is attached to this report as Confidential Appendix "M". Avison Young, CBRE and Cushman Wakefield each concluded that the selling value of the Sheridan Property would be significantly greater if a lease was in place that reflected market rent and usual net lease terms. Of greater note, **each of the proposals stated that the highest value for the Sheridan Property would be achieved by selling the Sheridan Property on a vacant basis, with potential realizations achieving significantly greater returns than the**

realization expected if the Sheridan Property was sold with the Lease in place.

61. All three listing brokerages the Receiver met with were familiar with the Sheridan Property. As set out in Appendix "M", the commission rates payable on a sale of the Sheridan Property range between 3% and 4%, with certain of the rates dependent on whether a co-operating brokerage is involved with the sale.
62. Taking into account the listing proposals received, the presentations of the respective realtors, the commission rates to be charged and the Receiver's subsequent discussions, the Receiver recommends to the Court that the Receiver be authorized to enter into a listing agreement with CBRE for the following reasons:
 - i) CBRE's familiarity and prior experience with the Sheridan Property having been involved with the sale of the Sheridan Property to 238;
 - ii) the commission rate of 3% that CBRE has advised the Receiver it will charge is equal to the other rates proposed if a sale is completed without a co-operating brokerage involved. In the event of a sale with a co-operating brokerage, CBRE's commission rate would be 3.85%; and
 - iii) 229 is supportive of the Receiver engaging CBRE. The listing agreement will provide that the Sheridan Property be listed with no fixed price and seek offers from interested parties by a set date. A copy of the proposed listing agreement with CBRE is attached to this report as Appendix "N".

63. The Receiver notes that prior to listing the Sheridan Property for sale, it will seek a Phase One Environmental Site Assessment which will be made available for potential purchasers.

VII. THE LEASE AND THE SALE OF THE SHERIDAN PROPERTY

64. Included in the listing proposals provided by CBRE, Avison Young and Cushman Wakefield, and/or in their presentations to the Receiver, the following observations of the terms and conditions of the Lease were made by some or all of the real estate brokers:

- the current and future rental rates in the Lease **do not reflect market rates [emphasis added]**;
- the Tenant's contribution to property taxes is below the actual cost of current property taxes;
- it is not typical for the Landlord to be liable for personal injuries incurred by any person due to the Tenant's failure to repair, maintain or clean the premises and this creates an unquantifiable liability to the Landlord; and
- the Landlord is responsible for effecting repairs on items that are typically the Tenant's responsibility.

Copies of excerpts from the Avison Young and CBRE listing proposals setting out their respective comments on the Lease terms are attached to this report as Appendix "O".

65. As set out earlier in this report, and taking the above into account, the Receiver is of the view that the Lease is a significant detriment to achieving the highest

realization from the Sheridan Property and, in turn, is detrimental to the positions of all of 238's creditors.

66. In order to maximize the true realizable value of the Sheridan Property, the Receiver needs the ability to provide vacant possession to a purchaser on closing, if the purchaser so requires. Accordingly, the Receiver is seeking an Order from the Court (the "**Lease Termination Order**") that the Lease is to be of no force and effect 60 days following the date of the Receiver providing written notice to BuiltRite to vacate the Sheridan Property (the "**Lease Termination Date**") and that BuiltRite is required to (i) vacate the Sheridan Property by no later than the Lease Termination Date and (ii) to leave the Sheridan Property in a proper state of cleanliness and repair upon vacating.
67. The Receiver also requires an Order that both 238 and BuiltRite fully cooperate with the Receiver, and the listing agent and brokers wishing to show prospective purchasers through the Sheridan Property. In this regard the Receiver intends on providing each of 238 and BuiltRite with notice at least 24 hours prior to any visits.
68. The Receiver recognizes that for vacant possession of the Sheridan Property to be provided, the tenancy of BuiltRite will have to be terminated, which will clearly impact the business and employees of BuiltRite.
69. Having said that, the Receiver is concerned that if the Lease Termination Order is not granted, a purchaser could purchase the Sheridan Property at a purchase price reflective of the terms of the Lease which, based on the information contained in Confidential Appendix M, would represent a much lower realization value for the Sheridan Property. In the event current lease defaults are not cured or new

defaults arise, the Purchaser, if it terminated the Lease, would enjoy the ability to either enter into a lease for the Sheridan Property at current market rent or to sell the Sheridan Property without the economic burden that exists under the Lease. In such case all upside economic benefit would go to the Purchaser, as opposed to those proceeds being available to 238's creditors.

70. In addition to the above, as previously set out herein, the Receiver understands that the shareholders of 238 own the majority of the shares of BuiltRite, which can be construed as making BuiltRite's occupation of the building as "owner occupied". Therefore the corporate organization which currently exists effectively will, if the Lease remains in place when the Sheridan Property is sold, and based on the information set out in Confidential Appendix "M", enable the shareholders of BuiltRite to continue to economically benefit from very favorable lease terms, to the detriment of 238's creditors.
71. It is to be noted that the Applicant's mortgage is in priority to the Lease. No notice of lease was registered on title.
72. As set out in the material filed by the Applicant in support of the Appointment Order, the Applicant delivered a notice to BuiltRite attorning rent payable by it to the Landlord. The Receiver provided BuiltRite with a copy of the Appointment Order. Accordingly, BuiltRite is and was previously aware of the actions of the Applicant to seek to take all steps it deemed necessary to realize on its loan. In addition, the Receiver has been advised by counsel to the Applicant that there is no non-disturbance agreement in effect between the Applicant and BuiltRite.

VIII. SECURED OR PRIORITY CLAIMS

73. The following is a list of the PPSA claims registered against 238 in the Personal Property Security Registration System (“PPSA”) as of May 1, 2017 and in the Land Registry (“PIN”) as of February 8, 2017. These claims have not been audited or verified by the Receiver:

Name of Registrant	Amount	PPSA	PIN
2292912 Ontario Inc.	\$3,394,878	√	√
2383603 Ontario Inc. / Atlantic (HS) Capital Inc. / Atlantic Advantage Management Inc.	\$2,600,000		√
Bay Point Financial Services Inc.	\$350,000	√	√
ECO Energy Home Services Inc.	Unknown	√	
G & L Carpenters Limited	Unknown		√
Giacomo Francesconi	\$320,000		√
Lucien Carpenters Limited	Unknown	√	√
Mario Iacobelli / Gina Iacobelli	\$420,000		√
Mercedes Francesconi	Unknown		√
Renato Francesconi	Unknown		√
William Fong	Unknown		√

The Receiver is in the process of seeking Torkin Manes’ opinion on the validity and enforceability of the security held by 229.

74. The Receiver is also aware of a judgment against 238 in favour of Atlantic (HS) Capital Inc., Atlantic Advantage Management Inc. and 2383603 Ontario Inc. for which a writ of execution has been filed with the office of the Sheriff showing a judgement against both 238, BuiltRite and Elias Mancebo, in the amount of \$2,911,813.85.

Deemed Trust Claim of Canada Revenue Agency (“CRA”)

75. The Receiver contacted CRA to inquire as to the status of the Debtor’s statutory filings. CRA informed the Receiver that 238 has not filed any HST returns since

October 31, 2014. Accordingly CRA may have a deemed trust claim against 238 in respect of unremitted HST on rent collected since at least November 2014.

76. Mr. Hernandez advised the Receiver that 238 does not have any employees. The Receiver has confirmed with CRA that 238 does not have a payroll account registered with CRA.

IX. STATUTORY NOTICES AND REPORTS

77. Attached to this report as Appendix "P" is the Notice and Statement of Receiver prepared pursuant to Sections 245(1) and 246(1) of the Bankruptcy and Insolvency Act.

X. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

78. Attached to this report as Appendix "Q" is the Receiver's Interim Statement of Receipts and Disbursements for the period February 7, 2017 to April 30, 2017 (the "R&D"). During this period, receipts were \$111,010 while disbursements were \$64,946, resulting in a net cash surplus of \$46,064.
79. Included in the Receiver's cash receipts is \$75,000 the Receiver borrowed from 229, in respect of which the Receiver has issued to 229 Receiver Certificate No.1, dated February 28, 2017.

XI. PROFESSIONAL FEES

80. The Receiver's accounts total \$53,332.27 in fees and disbursements plus HST of \$6,933.20 for a total amount of \$60,265.48 for the period ending April 30, 2017 (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 Daniel Weisz sworn May 11, 2017 that is attached to this report as Appendix “R”.

81. The accounts of the Receiver’s counsel, Torkin Manes, total \$31,467.77 in fees and disbursements and \$4,048.31 in HST for a total of \$35,516.08 (the “**Torkin Manes Accounts**”) for the period ending April 30, 2017. A copy of the Torkin Manes Accounts, together with a summary of the personnel, hours and hourly rates described in the Torkin Manes Accounts, supported by the Affidavit of Barry A. Cohen, Q.C. sworn May 11, 2017 is attached to this report as Appendix “S”.

XII. CONCLUSION


82. The Receiver respectfully requests that the Court grant an Order which provides for the following:
- (a) approving the First Report and the conduct and activities of the Receiver as set out therein;
 - (b) approving the Receiver entering into a listing agreement with CBRE for the marketing for sale of the Sheridan Property;
 - (c) directing each of 238 and BuiltRite to fully cooperate with the Receiver and CBRE, in allowing the Sheridan Property to be viewed by prospective purchasers;
 - (d) directing that the Lease is to be of no force and effect on the Lease Termination Date and directing BuiltRite to (i) vacate the Sheridan Property by no later than the Lease Termination Date and (ii) to leave the

Sheridan Property in a proper state of cleanliness and repair upon vacating;

- (e) sealing Appendices "J", "K", "L" and "M" of the First Report;
- (f) approving the R&D; and
- (g) approving the Receiver's Accounts and the Torkin Manes Accounts.

All of which is respectfully submitted to this Court as of this 11 day of May, 2017.

COLLINS BARROW TORONTO LIMITED
In its capacity as Court Appointed Receiver
of 2380009 Ontario Limited and
not in its personal capacity

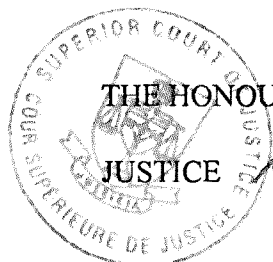


Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT
Senior Vice President

TAB A

Court File No. CV-16-011354-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST



THE HONOURABLE

JUSTICE

NEWBOLD

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TUES DAY, THE
 7th DAY OF FEBRUARY, 2017

2292912 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

Respondent

ORDER
(appointing Receiver)

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing COLLINS BARROW TORONTO LIMITED as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2380009 ONTARIO LIMITED (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Andrew Jones sworn April 29th, 2016 and the Exhibits thereto, the Supplementary Affidavit of Andrew Jones sworn May 4th, 2016, the Exhibit thereto, and the Further Supplementary Affidavit of Andrew Jones sworn September 27, 2016 and the Exhibits thereto and on hearing the submissions of counsel for 2292912 Ontario Inc. and 2380009 Ontario Limited, no one appearing for the parties on the Service List although duly

served as appears from the affidavits of service of Gail Fairhart sworn May 5, 2016 and Suzana Perik sworn September 29, 2016 and on reading the consent of COLLINS BARROW TORONTO LIMITED to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, COLLINS BARROW TORONTO LIMITED is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

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

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

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

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in

that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may

consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further

orders that a Case Website shall be established in accordance with the Protocol with the following URL <http://www.collinsbarrow.com/en/toronto-ontario/current-engagements-toronto/2380009-Ontario>.

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

GENERAL

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

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

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

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

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

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



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

FEB 07 2017

PER / PAR:



SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that COLLINS BARROW TORONTO LIMITED, the receiver (the "Receiver") of the assets, undertakings and properties of 2380009 Ontario Limited acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$500,000 which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

COLLINS BARROW TORONTO LIMITED,
solely in its capacity as Receiver of the Property,
and not in its personal capacity

Per: _____

Name: Daniel Weisz

Title: Senior Vice-President

2292912 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

et al

Respondent

Court File No.: CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**ORDER
(appointing Receiver)**

BLANEY McMURTRY LLP

Barristers and Solicitors

2 Queen Street East

Suite 1500

Toronto, Ontario

M5C 3G5

Reeva M. Finkel (LSUC#: 18762E)

Tel: (416) 593-1221

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Lawyers for the Applicant

TAB B

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2380009	2380009 ONTARIO LIMITED	2013/07/09
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
HAI LIANG ZHANG 1277 WILSON AVENUE		NOT APPLICABLE
Suite # 406		Amalgamation Ind.
NORTH YORK ONTARIO CANADA M3N 1K1		NOT APPLICABLE
Mailing Address		New Amal. Number
HAI LIANG ZHANG 1277 WILSON AVENUE		NOT APPLICABLE
Suite # 406		Notice Date
NORTH YORK ONTARIO CANADA M3N 1K1		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
		Revival Date
		NOT APPLICABLE
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification	Number of Directors	
NOT AVAILABLE	Minimum Maximum	
	00001 00005	

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2380009

2380009 ONTARIO LIMITED

Corporate Name History

Effective Date

2380009 ONTARIO LIMITED

2013/07/09

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

Address

ELIAS
F.
MANCEBO

2370 SOUTH SHERIDAN WAY

MISSISSAUGA
ONTARIO
CANADA L5J 2M4

Date Began

First Director

2013/11/29

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2380009	2380009 ONTARIO LIMITED

Administrator: Name (Individual / Corporation)	Address
ELIAS F. MANCEBO	2370 SOUTH SHERIDAN WAY MISSISSAUGA ONTARIO CANADA L5J 2M4

Date Began	First Director	Resident Canadian
2013/11/29	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

Administrator: Name (Individual / Corporation)	Address
ELIAS F. MANCEBO	2370 SOUTH SHERIDAN WAY MISSISSAUGA ONTARIO CANADA L5J 2M4

Date Began	First Director	Resident Canadian
2013/11/29	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2380009

2380009 ONTARIO LIMITED

Administrator:

Name (Individual / Corporation)

Address

ELIAS
F.
MANCEBO

2370 SOUTH SHERIDAN WAY

MISSISSAUGA
ONTARIO
CANADA L5J 2M4

Date Began

First Director

2013/11/29

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

TREASURER

Y

Request ID: 020222688
Transaction ID: 64364005
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/05/04
Time Report Produced: 13:58:35
Page: 5

66

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2380009	2380009 ONTARIO LIMITED

Last Document Recorded		Form	Date
Act/Code	Description		
CIA	CHANGE NOTICE	1	2014/04/10

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

TAB C

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2402453	BUILTRITE TECHNOLOGIES INC.	2014/01/07
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
ELIAS F. MANCEBO 2370 SOUTH SHERIDAN WAY	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
MISSISSAUGA ONTARIO CANADA L5J 2M4	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
ELIAS F. MANCEBO 2370 SOUTH SHERIDAN WAY	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
MISSISSAUGA ONTARIO CANADA L5J 2M4	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	
	Minimum	Maximum
	00001	00005
Activity Classification	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	NOT APPLICABLE	NOT APPLICABLE

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2402453	BUILTRITE TECHNOLOGIES INC.

Corporate Name History	Effective Date
BUILTRITE TECHNOLOGIES INC.	2014/01/07

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
ELIAS MANCEBO	2370 SOUTH SHERIDAN WAY MISSISSAUGA ONTARIO CANADA L5J 2M4

Date Began	First Director	Resident Canadian
2014/01/07	YES	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2402453	BUILTRITE TECHNOLOGIES INC.

Administrator: Name (Individual / Corporation)	Address
ELIAS F. MANCEBO	2370 SOUTH SHERIDAN WAY MISSISSAUGA ONTARIO CANADA L5J 2M4

Date Began	First Director	
2014/01/07	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Administrator: Name (Individual / Corporation)	Address
ELIAS F. MANCEBO	2370 SOUTH SHERIDAN WAY MISSISSAUGA ONTARIO CANADA L5J 2M4

Date Began	First Director	
2014/01/08	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2402453

BUILTRITE TECHNOLOGIES INC.

Administrator:

Name (Individual / Corporation)

Address

ELIAS
F.
MANCEBO

2370 SOUTH SHERIDAN WAY

MISSISSAUGA
ONTARIO
CANADA L5J 2M4

Date Began

First Director

2014/01/08

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Administrator:

Name (Individual / Corporation)

Address

ELIAS
F.
MANCEBO

2370 SOUTH SHERIDAN WAY

MISSISSAUGA
ONTARIO
CANADA L5J 2M4

Date Began

First Director

2014/01/08

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

TREASURER

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2402453

BUILTRITE TECHNOLOGIES INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	INITIAL RETURN	1	2014/04/07

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

TAB D

PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT is made as of the 7th day of February, 2017

BETWEEN:

COLLINS BARROW TORONTO LIMITED, solely in its capacity as Court-appointed Receiver of 2380009 Ontario Limited and not in its personal or corporate capacity and with no personal or corporate liability (the "Receiver")

-and -

STERLING KARAMAR PROPERTY MANAGEMENT, a division of Sterling Silver Development Corporation

(the "Manager")

WHEREAS:

- A. Collins Barrow Toronto Limited was appointed as receiver of 2380009 Ontario Limited pursuant to an order of the Ontario Superior Court of Justice (Commercial List) issued on February 7, 2017;
- B. The Manager has represented to the Receiver that it is engaged in the business of real property management and has acquired expert knowledge in this field and personnel to fulfill its covenants and obligations hereunder; and
- C. The parties have agreed that the Manager shall manage and operate the Property in accordance with the terms and conditions contained herein.

NOW THEREFORE, in consideration of the covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge the parties hereto covenant and agree as follows:

**ARTICLE 1
GENERAL CONTRACT PROVISIONS**

1.1 Definitions. In this agreement, unless there is something in the context or subject matter inconsistent therewith:

"Agreement" means this agreement together with any amendments hereto, provided that such amendments are in writing and signed by all parties;

"Approved" means duly authorized and approved in writing by the Receiver;

"Approved Budget" means the most recent annual budget relating to the Property approved by the Receiver, and any Approved revision thereof approved by the Receiver;

"Business day" means every day except Saturday, Sunday and statutory holidays in the Province of Ontario;

"Common Areas" means all of those interior and exterior areas of the Property not being intended to be leased to Tenants including, without restriction, all elevators, escalators, landscaped areas, parking areas, driveways, points and areas of access to and egress from the Property, all structural components of the Property, all sidewalks surrounding the Property (which sidewalks are located upon the lands comprising the Property), the Receiver's interest in all pedways, grade, above grade and below grade connections to adjacent lands and premises and all exterior plate glass forming part of the Property;

"Court" means the Ontario Superior Court of Justice (Commercial List) or another court of competent jurisdiction in the province of Ontario;

"Disposition" means a sale, foreclosure and/or other transfer of the Property or circumstances where the Receiver no longer has the authority to deal with the Property;

"Effective Date" means February 7, 2017;

"Emergency" means a condition or circumstance occurring in or about the Property which, in the Manager's opinion, acting reasonably, would result in personal injury or property damage if not remedied without delay;

"Fiscal Year" means that period of twelve months commencing in the month of the Effective Date;

"Generally Accepted Accounting Principles" means those accounting principles recommended by CPA Canada and includes any recommendations in its Handbook concerning accounting treatment or statement presentation, such principles and recommendations to be regarded as the only generally accepted accounting principles applicable to the circumstances that they cover;

"Gross Revenue" means, for any period during the Term and without duplication, the gross income actually received by or on behalf of the Receiver in such period with respect to the use or occupancy of any space in the Property, whether as rent, percentage rent, escalation rent, additional rent (including, without limitation, payments for operating expenses, insurance, taxes and similar recoveries from Tenants), parking income, fees, charges or otherwise, but excluding deposits and pre-paid rent but only until such security deposits or pre-paid rents are actually applied on account of rent;

"Hazardous Substance" means, but is not limited to, used oil, any contaminants, pollutants, dangerous substances, liquid wastes, industrial wastes, hauled liquid wastes, toxic substances, hazardous wastes, hazardous materials, or hazardous substances as defined in or pursuant to any law, regulation or order;

"Leases" means all written lease agreements entered into between the Receiver, or its predecessors in title as landlord with Tenants which bind the Receiver relating to the rental, use or occupancy of space in the Property;

"Licences" means any and all permits, licences or governmental approvals of any kind required for the proper and lawful operation of the Property including, without restriction, business licences, elevator and boiler permits, fire department permits and any permits required by the municipal authorities;

"Management Fees" means the fees payable to the Manager pursuant to section 3.2;

"Permitted Expenditures" means all expenses, inducements, costs and reserves of any nature whatsoever which relate to the Property and are actually expended and which are either:

- (a) included in an Approved Budget, on a quantifiable basis and without duplication on account of:
- (i) the aggregate of all realty taxes, rates, charges and assessments, levied and payable in respect of the Property;
 - (ii) the cost of all natural gas, oil, power, electricity, water, sewer, communications, cleaning, janitorial and all other utilities and services payable in respect of the Property;
 - (iii) Management Fees which shall include the fair market salaries and fair market benefits, or fair market management fees, of personnel and/or property managers employed or retained by the Manager exclusively on site for the operation and management of the Property, except for costs as set out in (iv) below;
 - (iv) the cost of personnel and/or property managers employed or retained by the Manager;
 - (v) the cost for the day-to-day operation, repair and maintenance of the systems for heating, ventilating, air-conditioning, servicing and maintaining the building(s) on the Property;
 - (vi) taxes and fees for Licences payable in connection with the Property;
 - (vii) the cost of insurance, including all liability, property damage, boiler and machinery, rental or business interruption and other insurance in respect of the Property;
 - (viii) the cost of cleaning, removing snow and garbage and for servicing, maintaining, operating, repairing, replacing, supervising and policing (and the cost of all supplies, labour, wages and fees to independent contractors relating thereto) paid by the Manager in respect of the Property, provided that any contracts relating thereto have been approved in writing by the Receiver;
 - (ix) the cost of reasonable legal, accounting and other professional fees in respect of the Property including paralegal costs for any Landlord/Tenant issues (which must be Approved by the Receiver on an individual expenditure basis);
 - (x) the cost of advertising and all types of direct leasing and marketing costs, including leasing commissions payable to brokers for the leasing of vacant space in the Property and Tenant allowances and inducements and other amounts payable to Tenants in connection with the leasing of such space (which must be Approved by the Receiver on an individual expenditure basis);
 - (xi) debt service with respect to any Approved financing for the Property; and
 - (xii) the cost of all postage, photocopying, printing, deliveries, and long distance telephone calls incurred or paid by the Manager in relation to the Property. But Permitted Expenditures shall always exclude (A) depreciation, and (B) income taxes;
- (b) otherwise Approved, or

(c) reasonably expended in an Emergency;

"Property" means the lands and building(s) described in Schedule 1 hereto and other fixtures situate thereon but only for so long as the Receiver has the authority to deal with them;

"Subsidiary" has the meaning ascribed thereto in the Business Corporations Act (Ontario); and

"Tenants" means all those persons now occupying or who, from time to time in the future, occupy premises in the Property pursuant to the terms of a Lease.

- 1.2 Assignment.** This Agreement and all of the rights hereunder may be assigned by the Receiver without the consent of the Manager, unless the Agreement is being assigned to a purchaser of the Property or any of them in which case the consent of the Manager shall be required, but, in recognition of this being an agreement for professional services which is personal to the Manager, may not be assigned by the Manager to a third party without the prior written consent of the Receiver, which consent may be unreasonably and arbitrarily withheld by the Receiver. The Manager shall not delegate any duties or obligations arising hereunder or subcontract its Property Management services, or any portion thereof, unless such action has been Approved.
- 1.3 Waiver by the Receiver.** No consent or waiver, expressed or implied, by the Receiver to or of any breach or default by the Manager in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by the Manager. Failure by the Receiver to complain of any act or failure to act of the Manager or to declare the Manager in default, irrespective of how long such failure continues, shall not constitute a waiver by the Receiver of its respective rights hereunder.
- 1.4 Governing Law.** This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the courts of the Province of Ontario and of Canada shall have exclusive jurisdiction with respect to any dispute, matter or thing arising therefrom.
- 1.5 Interpretation.** Wherever the singular, plural, masculine, feminine or neuter gender is used throughout this agreement, the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires.
- 1.6 Notices.** Any notice, request, demand or other communication or delivery provided for or given hereunder shall be in writing and shall be deemed to have been duly given only if personally delivered or telecopied as follows:

to the Receiver:

11 King Street West, Suite 700
 Toronto, Ontario M5H 4C7
 Attention: Mr. Daniel Weisz
 Telecopier: (416) 480-2646

to the Manager:

Sterling Karamar Property Management
 53 The Links Road
 Toronto, Ontario M2P 1T7
 Attention: Mr. Sebastian Russo

Telecopier: (416) 256-0090

All notices delivered or telecopied shall be deemed to have been given on the date of delivery or transmission if delivered or transmitted by 5:00 p.m. or, if not delivered or transmitted by such time, on the next business day following the date of delivery or transmission. Any party to this Agreement may change its address by giving notice of the change of address to the other party.

- 1.7 Unenforceable Terms.** If any term, covenant or condition of this Agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.
- 1.8 Further Acts.** Each of the parties shall, at the request and expense of the other party execute and deliver any further documents and do all things necessary as may be reasonably required to carry out the true intent and meaning of this Agreement.
- 1.9 Entire Agreement.** This Agreement constitutes the entire and only agreement between the Receiver and the Manager pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written.
- 1.10 Confidentiality.** All information respecting the Receiver and/or the Property received by the Manager pursuant to this Agreement shall be kept in confidence by the Manager and shall not be disclosed by the Manager to any other person except as required by law or with the written consent of the Receiver. The Manager acknowledges and agrees that the Receiver may have a duty to publicly disclose the Agreement and/or the contents hereof. The Receiver acknowledges and agrees that the Manager may have a duty to disclose the Agreement and/or the contents thereof and should the Manager receive a request to disclose that information, the Manager will forthwith advise the Receiver of such request and the Manager agrees that it will not disclose the information requested without first obtaining the written consent of the Receiver. If the Receiver does not provide its written consent, it shall provide the reasons therefor to the Manager who shall then provide such reasons to the person requesting the information from the Manager and the Manager shall direct that person to communicate directly with the Receiver in connection with the request made.
- 1.11 Remedies Not Exclusive.** The rights available to the parties under this Agreement and at law shall be deemed to be several and not dependent on each other and each such right shall be accordingly construed as complete in itself and not by reference to any other such right. Any one or more and/or any combination of any such rights may be exercised by a party from time to time and no such exercise shall exhaust the right or preclude the other party from exercising any one or more such rights or combination thereof from time to time thereafter or simultaneously.

ARTICLE 2 APPOINTMENT

- 2.1 Appointment.** The Receiver hereby appoints the Manager to administer, manage, operate and maintain the Property in accordance with and subject to the terms and conditions hereof. The Manager hereby accepts such appointment and agrees to be bound by the terms and conditions hereof. The Manager shall administer, manage, operate and maintain the Property in a faithful, diligent and honest manner and in accordance with the

professional standards as would be expected from any reasonable and prudent property manager experienced in performing like services and functions, taking into account the Approved Budget and actual funding made available to the Manager. For greater certainty, the Manager is an independent contractor and nothing herein contained creates or shall be construed as creating the relationship of employer-employee or establishing any trust, partnership or joint venture arrangement between the Receiver and the Manager. Nothing herein shall be construed as requiring the Manager to bear any portion of any losses or gains arising out of or connected with the ownership or operation of the Property. All agreements, commitments and obligations which the Property Manager is permitted to enter into or incur under this Agreement shall be entered or incurred by it solely as an independent contractor and except as is expressly provided in this Agreement to the contrary, not as agent on behalf of the Receiver.

2.2 Term. Subject to Section 4.1 hereof, this Agreement shall commence on the Effective Date and shall continue until the earlier of:

- (a) Three (3) months after the Effective Date (the "Initial Term"), provided, however, that at the expiration of the Initial Term, this Agreement shall be automatically renewed for additional periods of one (1) month each (each, a "Renewal Term), unless either party notifies the other party in writing of its intent not to renew this Agreement at least 30 days prior to the end of the Initial Term or any Renewal Term as applicable. The date on which this Agreement expires or is otherwise terminated is referred to herein as the "Termination Date". "Term" shall mean the period from the Effective Date through the Termination Date. Notwithstanding the foregoing or anything else contained herein, at any time following the expiration of the Initial Term, either party shall have the option of terminating this Agreement with thirty (30) days prior written notice to the other party without cause or penalty;
- (b) the date that the Receiver sells or no longer has authority to deal with the Property; and
- (c) the date that a party terminates this Agreement in accordance with section 4.1.

2.3 Authority. The Manager is hereby given specific authority to operate and manage the Property in accordance with the terms of this Agreement and in accordance with any directions, consents, authorizations, approvals or decisions of the Receiver and in accordance with all applicable municipal, provincial and federal laws and ordinances and all requirements of insurance policies related to the Property. The Manager is hereby given specific authority to retain (as employees of the Manager) personnel and property managers to assist with the operation and management of the Property in accordance with the terms of this Agreement, provided the same are contemplated in the Approved Budget.

2.4 Scope of Authority.

- (a) The Manager shall negotiate, settle and execute all contracts as may be reasonably necessary for the operation and maintenance of the Property provided that any expense to be incurred thereby is provided for in the current Approved Budget or is otherwise Approved and also provided that each such contract is capable of termination without penalty on not more than thirty (30) days' prior notice. All contracts for goods and services or for repairs that exceed \$5,000 shall be awarded on the basis of competitive bidding (unless the Manager can satisfy the Receiver that better pricing can be obtained without the need for competitive bidding) and be subject to the prior approval of the Receiver. Notwithstanding the foregoing, the Manager shall not be obligated to retain the lowest bidder, provided that the Manager first obtains the Receiver's written consent.
- (b) The Manager may expend funds for all expenses provided for in the Approved Budget and shall make all Permitted Expenditures provided that all expenses in excess of \$10,000 in the aggregate (such as but not

limited to capital expenditures) shall be incurred only on a "cost to complete" basis such that there shall at all times be a sufficient amount remaining unpaid to pay for the completion of the relevant item or work.

- (c) The Manager shall implement rules and regulations, in addition to those that may be included in any of the Leases, for the better or more efficient operation of the Property, and use its reasonable efforts to cause whatever rules and regulations to be observed by the Tenant(s).
- (d) The Manager shall within the first thirty days of its appointment, and at least once in each quarter of each Fiscal Year thereafter, carry out physical inspections of the interior and the exterior of the buildings and structures forming part of the Property and make a written report of the results of such inspections to the Receiver.
- (e) In the event of an Emergency when the Receiver cannot be consulted, after reasonable efforts by the Manager, the Manager is authorized and instructed to proceed with such immediate steps as in its discretion are reasonably necessary for the protection or preservation of the Property from any loss, damage, penalty or other liability. Upon the happening of any Emergency, the Manager shall promptly give notice thereof to the Receiver.
- (f) The Manager shall require the approval of the Receiver to enter into any contract or incur any charges and expenses with respect to the Building which are in excess of the costs set forth in the Approved Budget unless the Manager has otherwise received the approval of the Receiver.
- (g) The Manager shall not act outside the scope of authority contemplated in this Agreement.

2.5 Limitations and Restrictions. The Manager shall not take any action, expend any sum, make any decision, give any consent, approval or authorization, or incur any obligation on behalf of the Receiver, or in respect of the Property, with respect to any of the following matters unless and until the same has been Approved:

- (a) construction of any improvements or the making of any individual capital improvements, repairs, alterations or changes in, to or of the Property in excess of \$600 except to the extent that it is set forth in an Approved Budget;
- (b) making any expenditure or incurring any obligation other than in accordance with the authority to make expenditures granted to the Manager or which would result in a cost overrun for any particular Approved expenditure or budgeted item;
- (c) preparation and release of all promotional and advertising material relating to the Property;
- (d) the retention of counsel for the Property or the institution of any legal action;
- (e) expending more than what the Manager in good faith believes to be the fair and reasonable fair value at the time and place of contracting for any goods purchased or leased or services engaged on behalf of the Receiver or otherwise in connection with the Property;
- (f) knowingly entering into any agreement or other arrangement for the furnishing to the Property of goods or services with any person or entity not dealing at arm's length and *bona fide* with the Manager;
- (g) committing the Receiver to making any capital expenditures to the Property;

- (h) committing the Receiver to paying any commission, fee or other payment to any leasing or real estate broker, consultant or other intermediary;
- (i) committing the Receiver to any tenant inducement of any kind, including any loan, moving expense, lease takeover expense, waiver of rent in respect of a rent-free period or similar items;
- (j) using any part of the Property for purposes other than those permitted by applicable zoning by-laws;
- (k) entering into any sale, financing or other borrowing for any of the Property or entering into any agreement in respect of same;
- (l) committing the Receiver to making any material change to the Building;
- (m) granting any lease or entering into any offer or promise to lease;
- (n) entering into any management, leasing agency, development, or construction agreements in respect of the Building or renewing or amending any material terms thereof or granting any approvals thereunder for any action which would require the approval of the Receiver hereunder;
- (o) creating or permitting the creation of any encumbrance on the Property;
- (p) the appointment of the auditor for the Property;
- (q) terminating any Lease; and
- (r) reviewing, contesting, negotiating or settling any or all appraisals, assessments and billings for municipal or other governmental taxes, charges, levies, rates and similar assessments in respect of the Property.

2.6 Financial Matters.

(a) Initial Budget

The Manager shall deliver to the Receiver, for its approval, as soon as practically possible in consultation with the Receiver, an operating budget for the balance of the current fiscal year, on a monthly basis, which shall set forth both anticipated revenues and expenses on an accrual basis.

(b) Annual Budgets

The Manager shall prepare and submit to the Receiver, for its approval, an annual operating budget for the Property, broken down on a monthly basis, which shall set forth both anticipated revenues and expenses on an accrual basis, including, without limitation, details of anticipated expenses for non-capital repairs and maintenance, materials and supplies, and legal and audit fees.

Where there are duties or obligations of the Manager under this Agreement which are to be observed or performed only upon the request of the Receiver, these shall be reviewed at least annually and the decision to direct the Manager to observe or perform such obligations, or not to do so, shall be recorded in the appropriate budget or plan.

(c) Reports

The Manager, on a monthly basis shall prepare and provide to the Receiver:

- (i) An inspection report.

All monthly reports shall be provided to the Receiver within fifteen days of the end of each calendar month.

(d) Banking

The Receiver shall administer all banking necessary for the due performance of the accounting and administrative functions for the Property. The Manager agrees that all revenues from the Property, including without limitation rents, insurance proceeds, additional charges, interest, if any earned thereon, and other income, that are received by the Manager shall be received and collected in trust by the Manager on behalf of the Receiver. All such monies received by the Manager shall forthwith be forwarded to the Receiver for deposit. The Manager shall not establish any bank accounts in trust for the Receiver. The Manager acknowledges its fiduciary duty to the Receiver in connection with the collection of any revenues or amounts from the Building. It is understood that the Receiver will pay disbursements based upon invoices submitted to the Receiver by the Manager that are approved for payment by the Manager.

(e) Books of Account

The Manager shall maintain appropriate, separate and proper books of account and records with respect to the Property and all transactions entered into in performance of this Agreement, all of which shall be and remain at all times the property of the Receiver. At reasonable times and intervals the Receiver may obtain information with respect to the Property and cause inspections and audits of the books and records maintained by the Manager pursuant to this Agreement to be performed and the Manager shall provide all reasonable assistance to the Receiver's employees and auditors. Following the expiration or earlier termination of the Term, the Manager shall deliver all books and records to the Receiver. The Manager shall endeavor to implement appropriate controls over accounting and financial transactions as is reasonably required to protect the Receiver's assets from theft, error or fraudulent activity. The Receiver or its representatives may conduct examinations, upon reasonable prior notice, of the books and records maintained for the Receiver by the Manager as well as all additional audit tests relating to the Manager's activities, either at the Property or at the office of the Manager; provided such audit tests are directly related to those activities performed by the Manager for the Receiver and do not unduly interfere with the performance of the Manager's duties under this Agreement. Should the Receiver discover weaknesses in internal controls or errors in record keeping, the Manager shall correct discrepancies either upon discovery or within a reasonable period of time after the audit.

(f) Duty of Care

The Manager shall exercise such control over accounting and financial transactions that the Manager is involved with as is reasonably required to protect the Receiver's assets from loss or diminution due to negligence, recklessness, willful misconduct, fraud or criminal acts on the part of the Manager or its agents, contractors, subcontractors, associates or employees.

(g) Due Diligence Matters

The Manager will provide reasonable assistance to the Receiver in satisfying any proposed purchaser, transferor, mortgagee or lender in respect of the Property that conducts due diligence investigations. This will be done without any additional cost to the Receiver, except for reasonable out of pocket expenses approved in writing by the Receiver, acting reasonably, including reasonable disbursements for copying, scanning and printing documents using the Manager's equipment and will include, without limitation, using commercially reasonable efforts (but not including litigation or the payment of legal fees or any monies to the Tenant(s)) to if required obtain estoppel certificate(s) (prepared by third parties) signed by the Tenant(s) and making available copies of all documents relating to the Property for delivery to prospective purchasers, transferees or lenders under the terms of any applicable agreement of purchase and sale or financing. For greater certainty, the Manager shall not be responsible for negotiating any material amendments to the aforementioned estoppel certificates. Without limiting the foregoing, the Manager will execute in its capacity as manager of the Property, where the Manager has direct knowledge, and deliver such estoppels, postponements, documents and agreements prepared by the Manager or third parties as the case may be as are reasonably required by the Receiver and/or the Property's lenders and/or purchasers from time to time to facilitate the financing and/or sale of the Property from time to time provided that the same shall not impose any financial liabilities or obligations on the Manager. In addition to the above and without any additional cost to the Receiver (except for reasonable out of pocket expenses approved in writing by the Receiver, acting reasonably), the Manager shall provide reasonable assistance to the Receiver and its agents in positioning and preparing the Property for sale or refinancing by the Receiver, including the collection of title and lease documents, service contracts and other significant agreements and permitted encumbrances, preparing rent rolls in respect of the Property, preparing tenant acknowledgements and estoppel certificates, arranging for due diligence investigations (such as environmental reports and property condition reports), responding to questions and providing other information which the Receiver or its agents may reasonably request.

(i) Confidentiality

The Manager shall hold in confidence and not use or disclose to third parties any confidential or proprietary information of the Receiver which is disclosed to the Manager, including but not limited to any confidential data, information, plans, programs, processes, costs, or operations information, provided, however, the confidentiality obligations hereunder shall not apply to the extent such information (i) is available to the general public or generally known within the real estate industry; (ii) has been received by the Manager from a party under no duty of confidentiality to the Receiver; (iii) is independently developed by the Manager, or (iv) is required to be disclosed pursuant to law, court order or subpoena (with notice to the disclosing party). This confidentiality provision will survive the expiration or termination of this Agreement for any reason.

2.8 Repairs and Operations.**(a) Repairs and Alterations**

To the extent that the costs thereof are Permitted Expenditures, the Manager shall make all repairs and replacements to the Property which may become necessary or desirable to: (i) improve the rentability of the Property, (ii) comply with the policies from time to time established by the Receiver; (iii) comply with all regulations of any governmental authority having jurisdiction (iv) address an Emergency. Where the Manager is requested by the Receiver to coordinate the construction of substantial improvements to the Property, and the Manager is competent to supervise such work, the Manager shall be entitled, subject to

the amount thereof being Approved prior to the commencement of such work, to be paid a fee for such services in addition to the fees otherwise payable to the Manager hereunder, subject to the Receiver's written approval.

(b) **Climate Control**

The Manager shall ensure that the buildings on the Property is heated and cooled to reasonable temperatures, according to the season and shall cause the heating, ventilating and air-conditioning equipment to be operated, maintained and kept in repair in conformity with the obligations of the Receiver to the Tenant.

(c) **Cleaning**

The Manager shall maintain, and clean, through the engagement of third party contractors (the contracts relating thereto to be approved by the Receiver), the interior and exterior Common Areas of the Property and shall keep reasonably free from snow and ice the Common Areas that are open to the elements. The Manager shall retain the services of a professional contractor to remove snow and place salt to melt ice at the Property. The terms of such retention shall be in writing and approved by the Receiver prior to the engagement of the contractor, however it is acknowledged and agreed that the snow removal contractor will need to provide to the Receiver evidence of liability insurance in the amount of \$2 million.

(d) **Protection of the Property**

The Manager shall regularly attend at the Property and ensure that the Property is properly secured and free from garbage. In the event that there has been any damage or mischief done to the Property, the Manager shall forthwith apprise the Receiver of same.

To the extent any units of the Property are vacant, the Manager shall conduct regular exterior and interior site visits to check that the units are secure and there are no plumbing, heating, lighting or other maintenance or security issues.

In addition, the Manager shall forthwith recommend the steps that should be taken to safeguard the Property from unauthorized access and will, upon the written instruction of the Receiver, arrange for, at the Receiver's cost, the installation of the protective measures approved by the Receiver. This will be done without any additional cost to the Receiver, except for reasonable out of pocket expenses approved in writing by the Receiver, acting reasonably, including reasonable disbursements.

(e) **General**

To the extent that the costs thereof are Permitted Expenditures the Manager shall perform and contract for all things necessary for the proper and efficient management, operation and maintenance of the Property.

2.9 Personnel.

- (a) The Manager shall be responsible for hiring and making available such of its administrative and other employees (who shall not for any purpose be, or be deemed to be, employees of the Receiver) as shall be necessary and desirable for the performance by the Manager of its obligations under this Agreement. The full costs of such employees and all out of pocket expenses for which such employees are reimbursed shall be at the Manager's sole cost and expense, and shall not be reimbursed by the Receiver, and are not Permitted Expenditures, with the exception of any individual(s) hired to perform site supervision duties as specifically set out in (a) (iv) of the definition of Permitted Expenditures.

- (b) All persons hired as on-site, dedicated employees shall be the Manager's employees and not the Receiver's employees.
- (c) To the extent, if any, that such on-site personnel devote any of their working time other than in connection with the Property, then the Receiver shall be responsible only for that portion of the Manager's expenses with respect to such personnel as is applicable to time spent working exclusively in connection with Property.
- (d) Notwithstanding the foregoing, the Receiver retains the right to object to or complain with respect to any employee of the Manager or arm's length third party contractor employed in connection with the Property, and the Manager shall be obliged to deal with such objection or complaint to the satisfaction of the Receiver.
- (e) The Manager shall maintain proper payroll records with respect to persons engaged to work at the Property, shall make all payroll reports, withholdings, payments and returns required by law and shall fully comply with all applicable laws and regulations relating to workers' compensation, social security, employment insurance, hours of work, wages and working conditions.

2.10 Insurance Management. If directed by the Receiver, the Manager shall supervise and use all reasonable efforts to place or cause to be placed all insurance required by the Receiver with respect to the Property. Such supervision shall include, without limitation, filing of claims, liaison with insurance adjusters and compliance with all statutory conditions. All insurance shall be Approved as to type, amounts and underwriters with whom the insurance is placed and shall comply with the requirements of any agreements which are known to the Manager.

The Receiver shall insure the Premises with fire and all perils property damage insurance, rental income, boiler, machinery and pressure vessel insurance with such limits, exclusions and other terms as the Receiver determines, acting reasonably. The Receiver shall also be liable to insure against all liability to third parties and employees which may arise in respect of the use and operation of the Property with such limits, exclusions and other terms as the Receiver determines, acting reasonably. Such policies of insurance shall name the Manager as additional insured thereunder. The Manager shall at the request of the Receiver acquire the policies of insurance which the Receiver is obligated to obtain and all such policies of insurance shall provide that the insurer not cancel them without at least thirty (30) days' prior written notice to the Receiver and the Manager. The Manager shall have the power and authority on behalf of the Receiver to comply to the extent that it is so empowered hereunder with all conditions of such policies of insurance. The Receiver's insurance coverage shall be primary to that of the Manager's on any claim.

The Manager shall carry its own commercial general liability insurance in the amount of at least \$5,000,000 as well as a blanket bond covering all of its employees for employee dishonesty in an amount of not less than \$1,000,000 and errors and omissions insurance in an amount of not less than \$1,000,000 per occurrence on a claims made basis only. The Manager shall deliver to the Receiver evidence of insurance upon execution of this Agreement and thereafter, within thirty (30) days of renewal of each policy of insurance to be maintained by the Manager pursuant to this Agreement. All insurance policies will not be permitted to lapse or terminate unless the insurer notifies the Receiver in writing at least thirty (30) days prior to such lapse or termination. The Manager's liability policy shall name the Receiver as an additional insured.

2.11 Tenants. Subject to this Agreement, the Property Manager will:

- (a) supervise the establishment and maintenance of a suitable communication scheme with each Tenant; provided that nothing in this Agreement precludes the Receiver from dealing directly with any and all tenants as it deems fit, in its sole discretion;
- (b) give all notices and statements required to be given to Tenants under the terms of their respective Leases and all other notices necessary or desirable to efficiently manage the Property, including, all reminders and notices of default as may be required pursuant to the terms of the Leases in order for the Receiver to enforce its rights thereunder and to give all such notices in a timely manner, and if any period of notice is governed by the terms of a Lease, in accordance with terms of such Lease;
- (c) collect all rents and other amounts payable by Tenants if so requested by the Receiver;
- (d) if requested by the Receiver, use its reasonable efforts to ensure that all rent and all other amounts payable by Tenants in accordance with the terms of their respective Leases are regularly received by the Manager (provided that the Manager will not have any liability for any arrears of rent or other amounts payable);
- (e) subject to the prior written consent of the Receiver, institute litigation or other proceedings against Tenants on behalf and in the name of the Receiver. The Receiver at all times shall have the right to direct the course of any action, proceedings, or revenues taken under this Subsection; and
- (f) promptly give written notice to the Receiver of any statement of claim, summons, subpoena or similar legal documents including any notices, letters or other communications which are served on the Manager and which establish or claim actual or alleged potential liability of the Receiver or the Manager in respect of the Property and, upon receiving written consent of the Receiver, take whatever legal or equitable action is available to the Receiver in response thereto.

**ARTICLE 3
FEES**

- 3.1 Compensation.** During the term of this Agreement, the Manager shall not be entitled to any fees, commissions or other compensation for the performance of its obligations hereunder, save and except for the fees referred to herein and any fee which may be Approved. Except as may be Approved, the Manager shall not accept for its own account in the execution of its duties and obligations hereunder any fees, commissions, reductions, finder's fees or other concessions or compensation whatsoever from tradesmen, suppliers, contractors, insurers, Tenants or others. The Manager shall try to obtain such concessions on behalf of the Receiver and any such concession received shall be remitted to or credited to the Receiver forthwith. The Manager in performing its duties under this Agreement acts in a fiduciary capacity. Accordingly, the Manager will not accept for its own account in the execution of its duties under this Agreement any commissions, reductions, finder's fees or other concessions from tradesmen, suppliers, contractors, insurers or Tenants. If such concessions are received by the Manager, then in addition to all rights and remedies of the Receiver under this Agreement, such concessions shall be remitted to or credited to the Receiver immediately after receipt.
- 3.2 Payment of Management Fees.** The Receiver shall pay or caused to be paid to the Manager the Management Fees. During the Term of this Agreement, the Management Fees shall be \$2,500.00 per month. The Manager shall also be reimbursed by the Receiver for any reasonable arm's length expenses incurred by it in the performance of its duties hereunder provided and only to the extent that such expenses are Permitted Expenditures. The parties

acknowledge that the Management Fees are intended to cover all of the Manager's head office overhead expenses, management and other costs and expenses but not the costs of duties (as specifically set out in (a) (iv) of the definition of Permitted Expenditures) when such duties are performed by management staff or otherwise.

- 3.3 Receipts.** All revenues from the Property, including minimum rent, percentage rent and additional rent and other miscellaneous income, received and collected by the Manager, shall be remitted to the Receiver and for the account of the Receiver.
- 3.4 Subcontract.** The Receiver acknowledges that the Manager may subcontract all or part of the general maintenance and repair work to be performed and administered by the Manager. The cost of such maintenance and repair work will be the responsibility of the Receiver.

ARTICLE 4 TERMINATION

4.1 Termination. This Agreement may be terminated;

- (a) by the Receiver giving notice to the Manager in the event that:
- (i) the Manager is in breach of its duties hereunder and has failed to correct such breach within ten (10) business days of being apprised of such breach;
 - (ii) immediately, if the Manager acts in a dishonest, unlawful or fraudulent manner;
 - (iii) an order is made, an effective resolution is passed or a petition is filed for the winding up or dissolution of the Manager, or an application for a bankruptcy order is filed against the Manager, or the Manager goes into liquidation, either voluntarily or under an order of any court of competent jurisdiction, or the Manager becomes insolvent, commits an act of bankruptcy or makes a general assignment for the benefit of its creditors, or a liquidator, receiver or receiver/manager is appointed with respect to the Manager, or any execution, distress or any other process of the court becomes enforceable against the Manager; or
 - (iv) if at any time upon one (1) day's prior written notice to the Manager from time to time if:
 - (A) the Receiver's appointment in connection with the Property is restricted, rescinded, revoked, suspended or terminated;
 - (B) the Receiver is restricted in or enjoined from dealing with the Property by a court of competent jurisdiction;
 - (C) a court of competent jurisdiction or other governmental or regulatory authority issues an order, decree or ruling, or takes any other action restraining, enjoining or otherwise prohibiting the matters contemplated hereby, which order, decree, ruling or other action is not stayed or dismissed in its entirety;
 - (D) any person entitled to redeem the Property (including, without limitation, each of the mortgagees and/or other secured creditors) pursuant to any statute or rule of law or equity does so;

- (E) any mortgagee exercises its power of sale remedy and/or any other rights or remedies with respect to the Property;
 - (F) if the building(s) on the Property is destroyed and the Receiver, for any reason, elects not to rebuild the building(s), then this Agreement shall terminate on the date following written notice to the Manager that the Receiver has elected not to rebuild the building(s) after such destruction;
 - (G) if there is a condemnation/expropriation of all or any substantial part of the Property, then this Agreement shall automatically terminate as of the date of such taking or condemnation; or
- (b) by the Manager giving notice to the Receiver if the Receiver is in breach of its obligations hereunder to pay the Management Fee or to pay any expenses incurred by the Manager in the performance of its duties hereunder for which it is entitled to be reimbursed and such breach has not been corrected within a reasonable time, and such default continues for a period of 10 days after written notice thereof by the Manager to the Receiver; or
 - (c) by either party hereto without cause or penalty and for any reason, after the Initial Term by such party providing the other party hereto with thirty (30) days' prior written notice and without the payment of any termination or similar fee.

4.2 Deliveries. On the expiration or earlier termination of this Agreement, the Manager shall promptly deliver to the Receiver:

- (a) all reports and all books of account and records with respect to the Property in its possession;
- (b) all original Leases and contracts relating to supplies or services in its possession together with assignments of the Manager's rights, title and interest therein (if requested by the Receiver);
- (c) all materials and supplies for which the Manager has been paid by the Receiver and which were purchased in accordance with the provisions of this Agreement;
- (d) all cheques, negotiable instruments or cash in its possession relating to the Property;
- (e) any and all reports or documentation relating to the Property (such as, by way of example, building status audits or environmental reports);
- (f) all keys to the Property in its possession; and
- (g) all unpaid invoices in its possession with respect to the Property.

4.3 Disposition of Property. Notwithstanding the foregoing or anything else contained herein or elsewhere, the Receiver may, without cause or penalty, Dispose of the Property in the Receiver's sole, absolute and unreviewable discretion provided that if the Property is Disposed of and the closing occurs during the Initial Term, then other than those circumstances described in Section 4.1 (a)(iv) herein (in which event the Manager will not be entitled to the Management Fee), the Manager shall remain entitled to the Management Fee for the Property for the balance of the Initial Term and the Receiver shall pay same unless a third party such as the purchaser of the Property agrees to do so or agrees to retain the Manager. Provided that the Receiver shall provide

the Manager with notice of any of the proceedings described in section 4.1(a)(iv) herein forthwith after receipt of notice of same. Provided further if there are any third party contracts affecting the Property which were Approved by the Receiver and which cannot be terminated upon the Disposition of the Property, the Receiver will either cause a third party such as the purchaser of the Property to assume the same or will be liable for any direct costs payable to the other party to the contract for terminating said contracts.

- 4.4 Liability for Existing Management Fees.** Notwithstanding the foregoing or anything herein contained, but subject to Section 6.2, upon termination of this Agreement for any cause (other than where terminated pursuant to Section 4.1(a)(ii), upon termination of this Agreement for any cause, the Receiver shall remain liable for all expenses properly incurred for the Property until said termination and the Management Fee (as well as all outstanding supervisory fees) payable up to the effective date of termination. Provided further if there are any third party contracts affecting the Property which were approved by the Receiver and which cannot be terminated upon the Disposition of the Property, the Receiver will either cause a third party such as the purchaser of the Property to assume the same or will be liable for any direct costs payable to the other party to the contract for terminating said contracts.

ARTICLE 5 INDEMNITY

- 5.1 Indemnification by Receiver.** Without prejudice to any other rights or remedies available to the Manager, the Receiver hereby indemnifies and saves harmless the Manager from and against any and all claims, suits, demands, losses, costs, damages and expenses (including legal costs) arising directly or indirectly, in whole or in part, out of the Manager's appointment hereunder and out of the Manager's lawful and proper performance of its duties hereunder, provided that this indemnity shall not extend to or apply in the case of:

- (a) any negligence by the Manager or its employees or agents or other persons or entities for whom it is responsible;
- (b) fraud or other dishonest or illegal acts of the Manager or its employees or agents; or
- (c) any act of commission or omission by the Manager or its employees or agents which is in breach of this Agreement including, but not limited to, anything outside the scope of authority set forth in this Agreement.

The aforementioned indemnity by the Receiver shall not be personal to the Receiver, and the Manager shall have recourse only to the Property, in realizing on such indemnity, and will be subordinate to the following interests in the Property, which shall, in any event, have priority over the said indemnity:

- (a) Any secured interests currently registered as against the Property, costs of realization relating thereto, including the fees and disbursements of the Receiver; and
- (b) Any further deemed priority or super priority as mandated by operation of law or statute.

- 5.2 Indemnification by Manager.** Without prejudice to any other rights or remedies available to the Receiver, the Manager hereby indemnifies and saves harmless the Receiver from and against any and all claims, suits, demands, losses, costs, damages and expenses (including legal costs) arising directly or indirectly, in whole or in part, out of the Manager's or its employees or agents' negligence or the Manager's failure to perform its duties hereunder or

the Manager or its employees or agents otherwise breaching this Agreement or the Manager or its employees or agents conducting any fraudulent, dishonest or illegal act or omission in connection with this Agreement.

5.3 Non-Merger. The indemnities set forth herein shall survive the expiration or earlier termination of this Agreement for a period of 12 months following the date of termination of this agreement, with the exception that, despite this, or any other provision of this Agreement, any indemnity by the Receiver shall not survive the termination of the Receiver's appointment or the appointment of a new receiver for the Property.

**ARTICLE 6
MISCELLANEOUS**

6.1 Further Assurances. Each of the parties hereto shall from time to time hereafter and upon any reasonable request of the other party, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

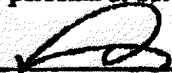
6.2 Capacity. Notwithstanding anything else contained herein or elsewhere, the Manager acknowledges and agrees that: (a) Collins Barrow Toronto Limited is entering into this Agreement and all related documentation from time to time solely in its capacity as the receiver of the Property with no personal or corporate liability; (b) Collins Barrow Toronto Limited and its agents, officers, directors, partners and employees have no and shall have no personal or corporate liability of any kind whatsoever, in contract, in tort, at law, in equity or otherwise as a result of or in any way connected with the Property, this Agreement or as a result of the Receiver performing or failing to perform any of its obligations hereunder; and (c) in respect of any obligations and liabilities of the Receiver hereunder, the Manager shall have recourse only to the interests of the Receiver in the Property, if any, and such obligations and liabilities are not otherwise personally binding upon nor shall resort be had to any other assets or property of the Receiver and/or its agents, officers, directors, shareholders, partners and/or employees.

6.3 Counterparts. This Agreement may be executed in counterpart and transmitted by fax or email and the reproduction of any signature in counterpart and by fax or email will be treated as though such reproduction was an executed original signature.




IN WITNESS WHEREOF the parties hereto have executed this Agreement.

COLLINS BARROW TORONTO LIMITED, solely in its capacity as Court-appointed Receiver of 2380009 Ontario Limited and not in its personal or corporate capacity and with no personal or corporate liability

Per: 
DANIEL WEISS
SENIOR VICE-PRESIDENT
c/s

STERLING KARAMAR PROPERTY MANAGEMENT, A DIVISION OF STERLING SILVER DEVELOPMENT CORPORATION

Per: 
Marshall Bleiweis,
President c/s

SCHEDULE 1

(a) **2370 South Sheridan Way, Mississauga, Ontario.**

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TAB E

COMMERCIAL LEASE

January 15, 2014

BETWEEN:

2380009 ONTARIO LIMITED

(The "Landlord")

BUILTRITE TECHNOLOGIES INC.

(The "Tenant")

In consideration of the rents, covenants and obligations stipulated herein, Landlord and the Tenant have agreed to enter into a Lease of the commercial space and Premises comprising part of the first floor, office and entire basement totaling 66,823 sq.ft of the property municipally known as 2370 South Sheridan Way, Mississauga, Ontario (hereinafter called the "Premises")

1. Grant of Lease

- (1) The Landlord Leases the Premises to the Tenant:
 - (a) at the rent set forth in Section 2;
 - (b) for the Term set forth in Section 3;
 - (c) subject to the conditions and in accordance with the covenants, obligations and agreements herein.

(2) The Landlord covenants that he has the right to grant the Leasehold interest in the Premises free from encumbrances except as disclosed on title.

2. Rent

Basic Rent

- (1) The Tenant covenants to pay the Landlord basic rent at a rate of \$ 216,000.00 per year, payable \$18,000.00 monthly in advance on the 1st day of each and every month, from and including February 1st 2014 to and including January 31, 2019.
- (1a) The Tenant covenants to pay the Landlord basic rent at a rate of \$ 240,000.00 per year, payable \$20,000.00 monthly in advance on the 1st day of each and every month, from and including February 1st 2019 to and including January 31, 2024

Additional Rent

- (2) The Tenant covenants to pay the Landlord the sum of \$7500.98 per month as Additional Rent for municipal property taxes.

(2a) The first 5 years will exclude the additional municipal property tax component as a reimbursement to leasehold improvements provided by the tenant.
The additional rent will commence on the February 01, 2019 to January 31, 2024.

Harmonized Sales Tax

- (3) The Tenant acknowledges that all rents are subject to a Harmonized Sales Tax (HST) under the Excise Tax Act of Canada.

Prepaid Rent

- (3) The Landlord acknowledges receipt of the sum of all \$40,680.00 from the Tenant on account of the Rent, Additional Rent and HST for the first and last month of the Lease.

3. TERM AND POSSESSION

- (1) The Tenant shall have possession of the Premises for a period of Ten (10) years, commencing on the 1st day of February, 2014 and ending on the 31st day of January 2024 (the "Term") for the space of 66,823 square feet total.
- (2) Subject to the Landlord's rights under this Lease, and as long as the Lease is in good standing, the Landlord covenants that the Tenant shall have quiet enjoyment of the Premises during the Term of this Lease without interruption or disturbance from the Landlord, the Landlord agents, or any other persons lawfully claiming through the Landlord.
- (3) The Landlord shall have the right to enter and inspect the Premises from time to time during normal business hours upon reasonable notice to the Tenant. In the event of a fire, flood, a gas leak or similar serious emergency the Landlord shall have the right to enter the Premises without notice, provided that he notifies the Tenant as soon as possible thereafter.

ASSIGNMENT & SUBLEASE IN

- (1) The Tenant shall not assign this Lease or sub-lease the whole or any part of the Premises unless he first obtains the consent of the Landlord in writing, which consent shall not be unreasonably withheld.
- (2) The consent of the Landlord to any assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting.

MAA R

USE

- (1) During the Term of this Lease the Premises shall not be used for any purpose other than as General Office, Extrusion manufacturing, Assembly, Fabricating or any similar business or such other commercial use as may be legally permitted and approved in writing by the Landlord.
- (2) The Tenant shall not do or permit to be done at the Premises anything which may:
 - (a) constitute a nuisance;
 - (b) cause damage to the Premises;
 - (c) cause injury or annoyance to occupants of neighboring Premises;
 - (d) make void or voidable any insurance upon the Premises; or
 - (e) constitute a breach of any bylaw, statute, code, order or regulation of any municipal or regional, or other, but competent authority relating to the Premises.

REPAIR AND MAINTENANCE

- (1) The Tenant covenants that during the Term of this Lease and any renewal thereof, he shall keep the interior of the Premises, in good operable condition, and the Tenant shall promptly make all the needed repairs and effect all necessary replacements as would a prudent owner, save and except for the items in subsection (3) below.
- (2) The Tenant shall be responsible for repairs or replacement of any equipment or Leasehold improvements installed by the Tenant, and the Tenant shall be liable to affect repairs for damage to the Premises, including doors, windows and plate glass, caused by the Tenant, the Tenant's agents, employees, customers, or invitees.

Exemptions

- (3) The Tenant shall not be responsible for damage caused by reasonable wear and tear, or caused by fire, lightning, flood, storm, civil insurrection or war, or for repairs to the following:
 - (a) Building foundation, exterior walls common roof and roof membrane;
 - (b) Heating ventilation and air conditioning, and electrical, mechanical and plumbing systems.
- (4) The Landlord shall be responsible for effecting repairs with respect to all items exempted from the Tenant's obligations under Section 6 (3) of this Lease.



Leasehold Improvements

- (5) The Tenants shall have the right, subject to the Landlord's approval which shall not be withheld unreasonably, to make Leasehold improvements and install the Tenant's fixtures, and the landlord agrees to forthwith deliver possession of the Premises to the Tenant in order to allow the Tenant to renovate, redecorate or make such Leasehold improvements and to install such fixtures as may be necessary for the operation of the Tenant's business.
- (6) The Tenant undertakes and covenants that he will carry out any and all Leasehold improvement work and install in good and workmanlike manner, and at his own expense and in compliance with all applicable rules, regulations, laws, bylaws, codes, statutes or standards.

Cleaning and maintenance

- (7) The Tenant shall be responsible for the cleaning and maintenance of the Premises including the cost of garbage removal, the Landlord shall be liable for any personal injuries incurred by any person due to the Tenant's failure to repair, maintain or clean the said Premises.

UTILITIES AND SERVICES

- (1) The Tenant shall be responsible to pay for his own water, electricity, gas, heating, telephone, fire alarm or security systems, and any rental equipment or other service supplying the Premises.

MUNICIPAL TAXES AND FEES

- (1) The Landlord shall be responsible and pay for all municipal realty taxes and local improvement rate assessed against the Premises and the Tenant shall make a contribution thereto as set out herein.
- (2) The Tenant shall also pay for his own municipal business licenses and Merchants Association membership fees, if any.

INSURANCE

- (1) During the term of this Lease and any renewal hereof, the Landlord shall maintain with respect to the Premises, insurance coverage to protect against loss or damage by fire, lightning, storm and other perils that may cause damage to the Premises or the property of the Landlord in which the Premises are located and such other insurance, including third-party liability and rent a loss, as the landlord may deem appropriate.

- (2) Notwithstanding any third-party liability insurance coverage arranged by the Landlord, the Tenant agrees and covenants to save harmless and keeps indemnify Landlord against all claims and demands whatsoever by any person, whether in respect of injury or damage to persons or property, arising out of or occasioned by the Tenant's use

or occupancy of the Premises, or the subletting or assignment of same or any part thereof, and the Tenant further covenants to indemnify the Landlord with respect to any encumbrance on or damage to the Premises occasioned by or arising from the act, default, or negligence of the Tenant, its agents, servants, employees, contractors, customers, invitees or licensees.

- (3) The Tenant shall carry business insurance in his own name to provide coverage with respect to:
- (a) third party or public liability claims;
 - (b) risk of business interruption to any extent sufficient to allow the Tenant to meet his ongoing obligations to the Landlord and to protect it and it against loss of revenue;
 - (c) Tenant equipment, chattels, inventory, property and Leasehold improvements; and
 - (d) plate glass damage.
- (4) The Tenant shall provide the Landlord with proof of the aforesaid Tenant's insurance forthwith upon demand of the Landlord.

DAMAGE TO THE PREMISES

- (1) If the Premises or the building in which the Premises is located, are damaged or destroyed, in whole or in part, by fire or other peril, then the following provisions shall apply:
- (a) if the damage or destruction renders the Premises unfit for occupancy and impossible to repair or rebuild using reasonable diligence within 90 clear days from the happening of such damage or destruction, then the Term hereby granted shall cease from the date the damage or destruction occurred, and the Tenant shall immediately surrender the remainder of the Term and give possession of the Premises to the Landlord, and the rent from the time of the surrender shall abate;
 - (b) If the Premises can with reasonable diligence be repaired and rendered fit for occupancy within 90 days from the happening of such damage or destruction, then the rent hereby reserved shall not accrue after the day that the damage or destruction occurred, or while the process of repairs is going on, and the Landlord shall repair the Premises with all reasonable speed, and the Tenant's obligations to pay rent shall resume immediately after the necessary repairs had been completed;

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- (c) If the Premises can be repaired within 90 days as aforesaid, but the damage is such that the Premises are capable of being partially used, and until such damage has been repaired, the Tenant shall remain in possession and the rent shall abate a proportionately.
- (2) Any question as to the degree of damage or destruction or the period of time required to repair or rebuild shall be determined by an architect retained by the Landlord.

ACTS OF THE FAULT AND LANDLORD'S REMEDIES

- (1) An act of default has occurred when:
- (a) the Tenant has failed to pay rent for a period of 15 consecutive days whether or not demand for payment has been made by the Landlord; or
 - (b) the Tenant has breached his covenants or fail to perform any of his obligations under this Lease, and the Landlord has given notice specifying the nature of the default and the steps required to correct it, and the Tenant has failed to correct the default as required by the notice;
 - (c) the Tenant has become bankrupt or insolvent or made an assignment for the benefit of any creditor, or at his property seized or attached in satisfaction of the judgment, or had a receiver appointed, or committed any act or neglected to do anything with the result that a construction lien or other encumbrance is registered against the Landlord property;
 - (d) The Landlord's insurance policy is canceled or not renewed by reason of the Tenant's illegal use or occupation of the Premises;
 - (e) The Premises becomes vacant or remains unoccupied for a period of 30 consecutive days, or are used by any other person or persons or for any other purpose than as provided by this Lease without the written consent of the Landlord.

Termination and Re-Entry

- (2) When an act of default on the part of the Tenant occurs, the Landlord shall have the right to terminate this Lease and re-enter the Premises and deal with the Premises as he may choose.

Distress

- (3) The Tenant covenants that notwithstanding any present or future act of the legislature of the Province of Ontario, the personal property the Tenant shall not be exempt from levy by distress for rent in arrears; and the Tenant acknowledges that it is upon the express understanding that there should be no such exemption that this Lease is entered into, and executing this Lease The Tenant waves the benefit of any such legislative provisions which might otherwise be available to the Tenant in the absence of this Agreement.

Rectification by the Landlord

(4) If, when an act of default has occurred, the Landlord chooses not to terminate the Lease and re-enter the Premises, the Landlord shall have the right to take any and all necessary steps to rectify any and all acts of default of the Tenant and to charge the cost of such rectification to the Tenant and to recover the costs as rent.

Waiver

(5) If, when an act of default has occurred, the Landlord chooses to waive his right to exercise the remedies available to him under this Lease or at all, the waiver shall not constitute condonation of the act of default, nor shall the waiver be treated as an estoppel against the Landlord to prevent his exercising his remedies with respect to any subsequent act of default.

(6) No covenants, term, or condition of this Lease shall be deemed to have been waived by the Landlord unless the waiver is in writing and signed by the Landlord.

SUBORDINATION AND POSTPONEMENT

(1) This Lease and all the rights of the Tenant under this Lease are subject and subordinate to any and all charges against the land, buildings or improvements (the "Property") of which the Premises for a part, whether the charge is in the nature of a mortgage trust deed, lien or any other form of charge arising from the financing or refinancing, including extensions or renewals, of the Landlord's interest in the property.

Subordination and Attornment

(2) Upon the request of the Landlord, the Tenant will execute any form required to subordinate or postpone this Lease and the Tenant's right to any charge, and will, if required, a torn rents to the holder of the charge on the Premises or the property.

Non Disturbance

(3) No subordination or postponement by the Tenant shall have the effect of permitting the holder of any charge to disturb the occupation and possession of the Premises by the Tenant as long as the Tenant performs his obligations under this Lease.

EXTERIOR SIGNS

(1) The Tenant at his own expense and at his own risk may erect signs, subject to the Landlord's approval, to be located at the front of the Premises and as such other additional place or places on the Landlord's property as the Landlord may designate.

(2) All signs erected by the Tenant shall conform to all municipal bylaws and regulations.

MAA.
R.

(3) The Tenant shall be responsible for the repair and maintenance of any signs, and the Tenant shall be responsible for the removal of the signs upon the termination of the Lease.

REGISTRATION

(1) The Tenant shall not at any time registered notice or a copy of this Lease on title to the property of which the premise these form part, without the written consent of the Landlord.

(2) The Tenant shall forthwith provide the Landlord with a true copy of any document registered, or caused be registered, on the title to the property by the Tenant or by any security holder of the Tenant.

RENEWAL OPTION PARAGRAPH

(1) Provided the Tenant is not currently in default under any provision of this Lease, the Tenant shall have the right to renew this Lease for a term of Ten (10) years consisting of 2 x Five (5) year terms upon the same terms and conditions as contained herein, save and except for the amount of Basic Rent.

(2) The rental to be paid by the Tenant during the renewal term shall be agreed upon by the parties at the commencement date of the renewal term and shall be based upon prevailing market rent.

(3) If the parties fail to reach an agreement as to the rental payable during the renewal term, the rentals shall be settled by arbitration in accordance with the provisions of the Arbitration Act of Ontario, and the decision of the arbitration panel's shall be final and binding upon the parties hereto.

(4) In order to exercise his right of renewal, the Tenant shall serve the Landlord with written notice of the Tenants intention no later than Three (3) months prior to the expiration of the Term. If such written notice is not given to the Landlord within the time specified, the Tenant shall be deemed to have waived his right to renew.

TERMINATION AND OVER HOLDING

(1) If the Tenant remains in possession of the Premises after the expiration of the Term or renewals term without objection by the Landlord, there shall be no tacit renewal of this Lease, and the Tenant shall be a monthly Tenant only at a monthly rental equal to the amount of the Rent and Additional Rent and Harmonized Sales Tax previously paid by the Tenant during the months immediately preceding the expiration of the Term. Such monthly tenancy shall, in all other respects, be upon the same terms and conditions as contained in this Lease.

NOTICE

(1) Any the notice required or permitted to be given by one party to the other pursuant to the terms of this Lease shall be given to the Tenant at the premises and to the Landlord at:

Mark Lathem LLP
c/o 2380009 Ontario Limited
588 Edward Avenue, unit 49
Richmond Hill, Ontario L4C 9Y6

To the Tenant at the Premises.

(3) And a notice given by one party to the other in accordance with the provisions of this Lease shall be deemed conclusively to have been received on the date delivered, if the notice is served personally, or five (5) days after mailing if the notices mailed.

INTERPRETATION

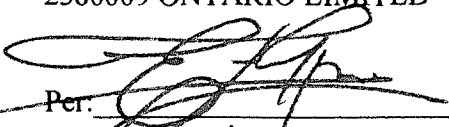
(1) The words importing this singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include firms and corporations and vice versa.

(2) The words "Landlord" and "Tenant" and "Guarantor" wherever used in this Lease shall be construed to include in the executors', administrators, successors and assigns of the Landlord and Tenant and guarantor, respectively.

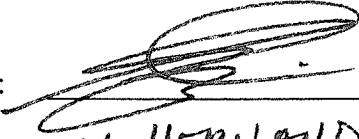
(3) When there are two or more parties bound by the same covenants herein contained, the obligations shall be joint and several.

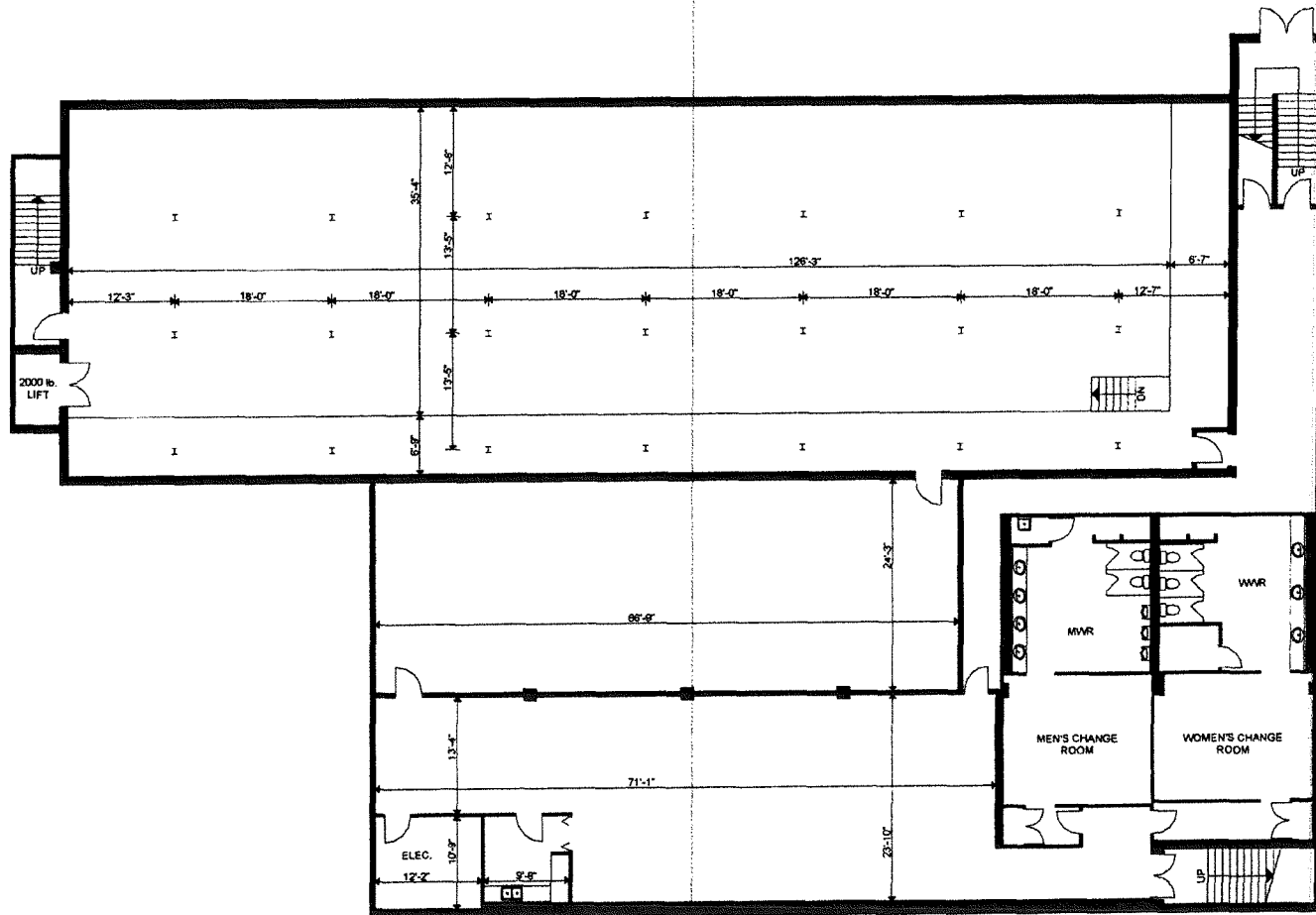
IN WITNESS of the foregoing covenants, the Landlord, Tenant and Guarantor have executed this Lease.

WITNESSED:

) 2380009 ONTARIO LIMITED
)
)
) Per: 
) E. MANCEBO
)

BUILTRITE TECHNOLOGIES INC.
I have authority to bind the corporation

)
)
)
) Per: 
) M. HERNANDEZ
)



Client

2380009 Ontario Ltd.

Version:	Prepared:	04/10/2013
FP1A	Measured:	26/11/2002

2370 South Sheridan Way
Mississauga, Ontario

Basement

Basement:	12,141 sq ft
Floor 1:	56,652 sq ft
Floor 2:	10,171 sq ft
Total:	78,964 sq ft

This work product has been prepared by Extreme Measures Inc. pursuant to a contract with the Client for the sole benefit of and use by the Client. No third party may rely on this work product without the receipt of a reference letter from Extreme Measures Inc.

extreme measures Tel: 416.323.2858
Fax: 416.323.0865
mail@measures.com
www.measures.com

DIRECTION RE FUNDS

TO: BUILTRITE TECHNOLOGIES INC.
FROM: 2380009 ONTARIO LIMITED
**RE: LEASE PAYMENTS FOR 2370 SOUTH SHERIDAN WAY,
MISSISSAUGA (THE "PROPERTY")**

The undersigned hereby authorizes and directs you to make the lease payments payable under the lease on the above-mentioned Property in the amount of \$18,000.00 per month to the following:

Timbercreek Asset Management

This direction may be delivered by facsimile, portable document format ("PDF"), or otherwise, each of which shall constitute an original document, and all of which taken together shall constitute one and the same instrument. A party providing its signature by facsimile, PDF or otherwise shall promptly forward to the other party an original of the executed copy of this release which was so delivered by facsimile or other means.

AND FOR SO DOING, this shall be your good and sufficient authority.

DATED this 15th day of January, 2014

2380009 Ontario Limited

Per: 

Elias Mancebo

I have authority to bind the corporation

TAB F

Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, Ontario M5C 2W7

Tel: 416-863-1188
Fax: 416-863-0305
www.torkinmanes.com

Barry A. Cohen, Q.C.
Direct Tel: 416-777-5434
Direct Fax: 1-888-812-2564
bcohen@torkinmanes.com

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member of
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Barristers & Solicitors

Private & Confidential

March 6, 2017

Delivered by Fax: 905-884-0790

Mr. Mark Lathem
Lathem Law Offices
588 Edward Avenue, Unit 49
Richmond Hill, ON L4C 9Y6

Dear Sir:

Re: 2380009 Ontario Inc. ("238") Lease to Bultrite Technologies Inc. ("BTI")

We are counsel to Collins Barrow Toronto Limited, the Court Appointed Receiver over the assets of 238.

Our client was appointed Receiver pursuant to the Order of Justice Newbould, issued on the 7th day of February, 2017. We enclose herewith a copy of the Court Order for your file.

The Receiver is currently reviewing its options with respect to the building owned by 238 and known as 2370 South Sheridan Way, Mississauga ("Property").

We have been provided with a copy of a lease dated January 15, 2014 dealing with the premises 238 leased to BTI, a copy of which we enclose herewith for ease of reference.

We note you were counsel for 238 with respect to the completion of the lease.

We require further information regarding the lease and request you kindly provide us with the following:

1. Copy of your reporting letter to 238 with respect to representing it on the lease.
2. Copy of correspondence with counsel for BTI who acted for it in negotiating the lease, and in particular, we seek copies of correspondence dealing with rent price and also how the arrangement whereby BTI pays no municipal realty tax as a reimbursement for leasehold improvements provided by BTI.

3. Copies of any offers to lease between 238 and BTI prior to the lease being culminated.
4. Copies of any correspondence dealing with tenant improvements and how the offset against realty taxes was arrived at.
5. Copies of leasehold improvements provided by BTI.
6. Copies of documentation evidencing BTI paid to 238 the sum of \$40,680 on account of Rent, Additional Rent and HST for the first and last month of the lease.

We refer you to sections 2, 5, 6 of the Receivership Order and confirm our requests herein are made to you pursuant to same.

Kindly get back to me ASAP to advise when the documents will be available.

Yours truly,

Torkin Manes LLP

Per:



Barry A. Cohen, Q.C.
BAC/db

Encls.

34487.0002/BCOHEN 9782944_1

Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, Ontario M5C 2W7

Tel: 416-863-1188
Fax: 416-863-0305
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Barry A. Cohen, Q.C.
Direct Tel: 416-777-5434
Direct Fax: 1-888-812-2564
bcohen@torkinmanes.com

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Barristers & Solicitors

Private & Confidential

April 12, 2017

Delivered by Fax: 905-884-0790

Mr. Mark Lathem
Lathem Law Offices
588 Edward Avenue, Unit 49
Richmond Hill, ON L4C 9Y6

Dear Sir:

Re: 2380009 Ontario Inc. ("238") Lease to Bultrite Technologies Inc. ("BTI")

I note we have had no response to our correspondence to you of April 6, 2017 (letter inadvertently dated March 6, 2017), copy attached for your ease of reference.

As you can appreciate, the Receiver requires the information requested so that it may proceed to fulfil its mandate as set out in the Court Order appointing it (a copy of which we previously provided you with).

Please get back to me no later than April 13, 2017 in order that we do not have to consider the provisions of the Order allowing the Receiver to examine persons with knowledge of the affairs and assets of the Respondent 23800009 Ontario Inc.

Yours truly,

Torkin Manes LLP
Per:



Barry A. Cohen, Q.C.
BAC/db

Encls.

34487.0002/BCOHEN 9803315_.1

Torkin Manes LLP
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April 18, 2017

Delivered by Same Day Courier, Email & Fax: 905-884-0790

Mr. Mark Lathem
Lathem Law Offices
588 Edward Avenue, Unit 49
Richmond Hill, ON L4C 9Y6

Dear Sir:

Re: 2380009 Ontario Inc. ("238") in Receivership

I regret to note that despite having written to you on April 6th and April 12th you have not had the courtesy to respond to either communication.

In my correspondence to you of April 6th, I enclosed a copy of the Receivership Order granted by Justice Newbould on February 7th ("Order").

In my correspondence to you of April 12th, I referred you to the relevant provisions of the Order and again request you review Paragraphs 4, 5 and 6 thereof.

We are aware you were counsel to 238 when it was incorporated, and that you acted for it with respect to the lease it entered into with the current tenant.

We require the following information:

1. Copy of your reporting letter on the lease.
2. Copy of any offers, counter offers leading up to the lease in final form.
3. Copies of any correspondence regarding tenant improvements, consents for same, costing for same.
4. Copies of correspondence related to how the \$75,000 realty tax contribution otherwise payable by the tenant for the first five (5) years of the lease term (\$450,000 in aggregate), was calculated and agreed upon. In particular, kindly advise if there was negotiations over this aspect of the lease and if so provide copies related thereto.

5. Any confirmation you have that the tenant paid the \$40,680 first and last months' rent (including HST), as provided for in the lease.

Please note we are not prepared to allow this matter to be further delayed.

In the event we do not receive a proper response on or before 5:00 p.m. April 19th, we will take steps to compel your attendance and production of documents.

We trust you will obey the Order without need for us to cause you to be examined under oath.

Yours truly,

Torkin Manes LLP

Per:



Barry A. Cohen, Q.C.
BAC/db

cc: Daniel Weisz

34487.0002/BCOHEN 9817441_1

TAB G

Daniel Weisz

From: Barry A. Cohen, Q.C., LL.M. <bcohen@torkinmanes.com>
Sent: Tuesday, April 18, 2017 3:18 PM
To: Mark K. Lathem; Dawn Bafaro
Cc: Daniel Weisz; Jeffrey Simpson
Subject: RE: 2380009 Ontario Inc. Lease to Builtrite Technologies Inc.

I acknowledge your response to my last email and thank you for your advice therein, upon which I make no comment.

The Receiver is currently engaged in reviewing various matters pertaining to the Property and, as part of such review, requires a fuller understanding of the lease and what negotiations went on concerning same.

I require you to provide a copy of your reporting letter and copies of all offers/counter offers that preceded the execution copy of the lease as they are relevant to the information the Receiver needs.

Your email advises that “--- aside from drafting the lease on the client’s instructions what our involvement would have been, if any.”

We require you to provide us with information as to the instructions you received as to the lease terms before commencing drafting the lease and what instructions were given concerning the contribution to taxes by the tenant, as provided for in the lease you drafted.

You mention the client had “several lawyers over this period and relating to this property---” and I would ask you advise me who those lawyers are and did you deal with any of them regarding the lease.

Given the need for this information has now been conveyed to you on at least three occasions, we expect you will immediately undertake retrieving relevant files and proceed to provide us with the information requested in those emails on a forthwith basis.

We are prepared to wait until 5 p.m on April 28th to receive all requested information from you, after which if not provided, we will commence the process to examine you under oath and to examine your file materials.

We would hope you will deal with this matter within the timeline so there is no need for us to proceed further, however that decision remains solely with you as to which way matters proceed.

Barry A. Cohen, Q.C., LL.M.

Tel: 416-777-5434
 Fax: 1-888-812-2564

Torkin Manes LLP

Barristers & Solicitors

This email message, and any attachments, is intended only for the named recipient(s) above and may contain content that is privileged, confidential and/or exempt from disclosure under applicable law. If you have received this message in error, please notify the sender and delete this email message. Thank you.

From: Mark K. Lathem [mailto:mlathem@himprolaw.com]
Sent: April-18-17 2:13 PM
To: Barry A. Cohen, Q.C., LL.M.; Dawn Bafaro
Cc: dweisz@collinsbarrow.com; Jeffrey Simpson
Subject: RE: 2380009 Ontario Inc. Lease to Builtrite Technologies Inc.

Dear Mr. Cohen,

Your initial correspondence was sent to my old office, not the one shown on the Law Society records and therefore there was a delay in receiving it on my end. In addition, I thought initially the correspondence was sent to me in error.

At this stage any files relating to this client would be in storage. In addition, It was our practice of providing the copies of all the documents to the client upon execution.

We will have to arrange to retrieve and review the file before I can provide a proper answer to your request.

The client did have several lawyers over this period and relating to this property and I am not sure aside from drafting the lease on the clients instructions what our involvement would have been if any. The lessor and lessee where in fact where related and if the lease were drafted simply to record the arrangements between the parties which is I suspect the case. Then none of the documents aside from the lease itself are likely in our file.

Without trying to sound flippant we generally do not get involved in doing the clients bookkeeping and therefore the bulk of the items you have requested would not be in most of our lease files including this one.

I assume you want me to pull the file which is in offsite storage and determine if there is anything beyond the lease?

I will need a certain amount of time to both obtain and vet the file for the required information.

Mark K. Lathem

Himelfarb Proszanski
Barristers & Solicitors
480 University Avenue, Suite 1401
Toronto, Ontario, M5G 1V2

588 Edward Avenue, Unit 49
Richmond Hill, Ontario L4C 9Y6

Phone. (416) 599-8080
Fax. (416) 599-3131
Email. mlathem@himprolaw.com
Web. www.himprolaw.com



From: Barry A. Cohen, Q.C., LL.M. [<mailto:bcohen@torkinmanes.com>]
Sent: Tuesday, April 18, 2017 12:24 PM
To: Mark K. Lathem; Dawn Bafaro; info@lathemlaw.ca
Cc: dweisz@collinsbarrow.com; Jeffrey Simpson
Subject: RE: 2380009 Ontario Inc. Lease to Builtrite Technologies Inc.

Your email of today (set out below) is acknowledged.

There has been significant delay in receiving any response to our previous emails and we note your email of today fails to address what steps have been taken to retrieve your relevant file material.

The Receiver is not prepared to allow this matter to drag on and we require written confirmation you will provide the information forthwith, failing which we will proceed to set in motion the examination of you under oath.

Barry A. Cohen, Q.C., LL.M.
Tel: 416-777-5434

Torkin Manes LLP
Barristers & Solicitors

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From: Mark K. Lathem [<mailto:mlathem@himprolaw.com>]
Sent: April-18-17 10:54 AM
To: Dawn Bafaro; info@lathemlaw.ca
Cc: Barry A. Cohen, Q.C., LL.M.; dweisz@collinsbarrow.com
Subject: RE: 2380009 Ontario Inc. Lease to Bultrite Technologies Inc.

Dear Dawn,

I did get the previous fax. Please note the change of law firm.

This file would be in storage and it may not have a separate file per say. I have yet to determine that.

Mark K. Lathem
Himelfarb Proszanski
Barristers & Solicitors
480 University Avenue, Suite 1401
Toronto, Ontario, M5G 1V2

588 Edward Avenue, Unit 49
Richmond Hill, Ontario L4C 9Y6

Phone. (416) 599-8080
Fax. (416) 599-3131
Email. mlathem@himprolaw.com
Web. www.himprolaw.com



From: Dawn Bafaro [<mailto:dbafaro@torkinmanes.com>]
Sent: Tuesday, April 18, 2017 9:58 AM
To: info@lathemlaw.ca
Cc: Barry A. Cohen, Q.C., LL.M.; dweisz@collinsbarrow.com
Subject: 2380009 Ontario Inc. Lease to Bultrite Technologies Inc.

Good morning Mr. Lathem,

Please see the attached correspondence which is also being forwarded by Courier and Fax.

Sent on behalf of Barry A. Cohen, Q.C.

Regards
Dawn

Dawn Bafaro

Legal Assistant to Barry Cohen and Catherine Nicholson
Tel: 416-663-1220 Ext. 234
Fax: 416-863-0305
dbafaro@torkinmanes.com

Torkin Manes LLP

Barristers & Solicitors

151 Yonge Street, Suite 1500
Toronto ON M5C 2W7
torkinmanes.com

An international member of Ally Law

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TAB H



480 University Ave., Suite 1401
Toronto, ON M5G 1V2
T: (416)599-8080 F: (416)599-3131
www.himprolaw.com

Writer's extension: 335
Writer's email: mlathem@himprolaw.com

April 24th, 2017

Torken Manes LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Attention: Barry A. Cohen, Q.C.

Dear Sir:

RE: 2380009 Ontario Inc. Lease to Bultrite Technologies Inc.

I am writing in response to your letter of March 6, 2017 regarding the above noted matter.

After a complete review of our files both electronic, physical and the document itself, I have to conclude that we were not involved in giving advice, negotiating, preparing or attending to the execution of the lease in question, and further that we have none of the documents you have requested.

I say this on following basis:

1. We have no file for this matter;
2. There is no electronic version on the lease on our hard drive which there would be if we had actually prepared it;
3. The fax line indicates that we were the recipient of the fax, not the sender;
4. Page 9 Notice section makes reference to "Mark Lathem LLP c/o 2380009 Ontario Limited", is misaddressed in several ways and would not have been prepared in this fashion by my office; and
5. I have no recollection of preparing a lease for either of these parties.

I trust that this appropriately addresses your letter.

Yours very truly,
HIMELFARB PROSZANSKI
Per:


Mark K. Lathem

MKL/h

TAB I

Daniel Weisz

From: Mark K. Lathem <mlathem@himprolaw.com>
Sent: Wednesday, April 26, 2017 8:59 AM
To: Barry A. Cohen, Q.C., LL.M.
Cc: Daniel Weisz
Subject: RE: 2380009 Ontario Inc. Lease to Builtrite Technologies Inc.

Hi Barry,

I have spoken to the client regarding the lease.

They have confirmed that the lease was drawn by another lawyer and that we had no involvement this matter other than they used our address (without asking). I have also been advised that they provided the name of the lawyer to the receiver.

Mark K. Lathem
 Himelfarb Proszanski
 Barristers & Solicitors
 480 University Avenue, Suite 1401
 Toronto, Ontario, M5G 1V2

588 Edward Avenue, Unit 49
 Richmond Hill, Ontario L4C 9Y6

Phone. (416) 599-8080
 Fax. (416) 599-3131
 Email. mlathem@himprolaw.com
 Web. www.himprolaw.com



From: Barry A. Cohen, Q.C., LL.M. [<mailto:bcohen@torkinmanes.com>]
Sent: Tuesday, April 25, 2017 7:37 AM
To: Mark K. Lathem
Cc: Mr. Daniel Weisz
Subject: Re: 2380009 Ontario Inc. Lease to Builtrite Technologies Inc.

I acknowledge receipt of your correspondence of April 24th.

Barry A. Cohen, Q.C., LL.M.
 Tel: 416-777-5434
 Fax: 1-888-812-2564

Torkin Manes LLP
 Barristers & Solicitors

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On Apr 24, 2017, at 8:37 PM, Mark K. Lathem <mlathem@himprolaw.com> wrote:

Dear Mr. Cohen,

Please find my response to your March 6, 2017 letter.

I trust that you find it appropriate.

Mark K. Lathem
Himelfarb Proszanski
Barristers & Solicitors
480 University Avenue, Suite 1401
Toronto, Ontario, M5G 1V2

588 Edward Avenue, Unit 49
Richmond Hill, Ontario L4C 9Y6

Phone. (416) 599-8080
Fax. (416) 599-3131
Email. mlathem@himprolaw.com
Web. www.himprolaw.com

<image001.jpg>

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TAB J

FILED SEPARATELY

TAB K

FILED SEPARATELY

TAB L

FILED SEPARATELY

TAB M

FILED SEPARATELY

TAB N

EXCLUSIVE AUTHORITY TO SELL AGREEMENT
(the "Agreement")

BETWEEN:

CBRE LIMITED
(hereinafter referred to as "CBRE")

and

COLLINS BARROW TORONTO LIMITED
Solely in its capacity as Court-Appointed Receiver of 2380009 Ontario Limited
with no personal or corporate liability
(hereinafter referred to as the "Vendor")

WHEREAS pursuant to a Court Order made on February 7, 2017, the Vendor was appointed as the Receiver of 2380009 Ontario Limited, the legal owner of the real property located at 2370 South Sheridan Way, Mississauga, Ontario (the "Property");

AND WHEREAS the Vendor intends to retain the brokerage services of CBRE to market the Property for sale.

NOW THEREFORE in consideration of CBRE's services in accordance with this Agreement, and for other good and valuable consideration given by CBRE to the Vendor, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

1. The Vendor hereby appoints CBRE as its sole and exclusive agent to offer the Property for sale, on a non-priced bid date process or on such other terms which the Vendor and CBRE may mutually agree upon prior to the marketing of the Property.
2. CBRE agrees to place the Property on MLS, <*> days after the formal marketing launch which is scheduled to occur on or about <*>, 2017.
3. The Vendor agrees to pay CBRE, its successors or assigns, a commission, as set out in paragraph 6 hereof, on the successful completion of sale of the Property pursuant to any valid and binding Agreement of Purchase and Sale accepted by the Vendor during the term of this Agreement from any source whatsoever.
4. The Vendor also agrees to pay CBRE a commission in the amount set out in paragraph 6 hereof on any concluded sale of the Property pursuant to any valid and binding Agreement of Purchase and Sale entered into by the Vendor with a Registered Party (as defined below) within a period of three (3) months after the expiry of this Agreement, provided that CBRE provides the Vendor with a list of prospective Purchasers (the "Registered Parties") not later than the last day of the Term (as defined in paragraph 12 below). The Registered Parties on the list will be limited to individuals or corporations that signed a confidentiality agreement in the form approved by the Vendor.
5. CBRE acknowledges and agrees that, notwithstanding any other term of this Agreement, in the event that the Vendor is discharged as Court-Appointed Receiver of 2380009 Ontario Limited or in any way restrained from completing any sale of the Property, whether by court order, by virtue of the redemption or assignment of the mortgage in connection with which the Vendor was appointed Receiver, or for any other reason beyond the complete control of the Vendor, this Agreement shall be deemed to be automatically terminated and CBRE shall not be entitled to any commission contemplated in this Agreement nor to any reimbursement for any expenses incurred by CBRE in connection with this Agreement.
6. The Vendor agrees to pay CBRE, its successors or assigns, a commission on the sale of the Property equivalent to 3.0% of the gross sale price of the Property sold to a purchaser procured by the listing team (Gary Taylor and Scot Steele).

If the Property is sold to a purchaser obtained on the MLS and represented by a Cooperating Agent, the total commission will increase to 3.85%. CBRE will allocate 50% of the fee to the Cooperating Agent with CBRE retaining 50%.

Applicable HST will be payable by the Vendor on fees charged by CBRE pursuant to this agreement.

CBRE hereby indemnifies the Vendor and agrees to save the Vendor harmless from and against any claim for compensation made by any Cooperating Agent or any person claiming to be a Cooperating Agent.

7. The commission due to CBRE pursuant to this Agreement in respect of any transaction hereunder, shall be payable to CBRE immediately upon the successful completion of a sale of the Property.
8. During the Term, the Vendor shall refer all inquiries and offers from any source whatsoever to CBRE forthwith on receipt. All negotiations relating to a prospective sale of the Property during the Term shall be conducted through CBRE and/or the Vendor's solicitors. The Vendor shall permit CBRE to show prospective purchasers the Property during reasonable hours. CBRE is further authorized at its own costs to advertise the Property, subject to the Vendor's prior written approval of the form and content of such advertising.
9. CBRE agrees to act fairly with all parties to the transaction but acknowledges that its primary responsibility is to protect the interests of the Vendor.
10. The Vendor understands and acknowledges that CBRE or any of its affiliates may, if requested to do so by a purchaser, provide services to the purchaser in connection with its acquisition of the Property, including without limitation, arranging or providing debt or equity financing for the purchaser, provided that CBRE or one of its affiliates is paid by the purchaser for so doing, and that CBRE discloses in writing to the Vendor such arrangements and the restricted nature of services CBRE would provide such a purchaser in such a circumstance and the Vendor, acting reasonably, provides its prior written approval thereof, prior to CBRE agreeing to provide such services to a purchaser.
11. Subject to the provisions of paragraph 5 above, this Agreement shall expire one minute before midnight on the 30th day of November, 2017 or such later date as the parties mutually agree in writing to (the "Expiry Date"). The period commencing on the date of this Agreement and ending at 11:59 p.m. on the Expiry Date is referred to herein as the "Term".
12. The Vendor represents and warrants that it has been appointed as the Receiver of 2380009 Ontario Limited pursuant to an Order of the Court made on February 7, 2017 and has the power and authority to enter into and execute this Agreement.
13. CBRE acknowledges and agrees that it will be offering the Property for sale on an "as is, where is" basis, and that any information on the Property that is or will be provided to CBRE is being provided with no representations or warranties whatsoever by the Vendor as to the accuracy or completeness of that information.
14. CBRE Responsibilities:

CBRE shall act as advisor to the Vendor in respect of this engagement and shall, at CBRE's expense, perform such financial and real estate advisory services as are required, including, without limitation, the following:

- a) Perform financial analysis and valuation work on the Property;
- b) Assemble and package due diligence materials prior to marketing launch;
- c) Prepare marketing materials for use in promoting the Property;
- d) Develop an appropriate marketing and disposition strategy for the Property;
- e) Advertise the Property for sale in the Globe and Mail national edition;
- f) Advise the Vendor of the various steps in achieving the sale of the Property;
- g) Compile a list of potential purchasers that may be interested in acquiring the Property;
- h) Execute a marketing program for the Property;
- i) Day-to-day management of the disposition program, including marketing, co-ordination of due diligence, assisting the Vendor and third parties, facilitating tours and information requests, and other duties as required;
- j) Receiving expressions of interest for the Property;
- k) Advise the Vendor with respect to such interest and offers;
- l) Assist the Vendor in negotiations, structuring and documentation of the transaction with the purchaser(s) until closing;
- m) Provide the Vendor with such written report(s) setting out CBRE's efforts in connection with the sale of the Property that may be requested by the Vendor; and

- n) Provide such other advice or services as may be required in order to carry out CBRE's responsibilities pursuant to this agreement.
- 15. This Agreement constitutes the entire agreement between the Vendor and CBRE and supersedes all prior discussions, negotiations and agreements, whether oral or written relating to the subject matter hereof. In case of any inconsistencies between this Agreement and any commission provisions in any Agreement(s) of Purchase and Sale, the provisions of this Agreement shall govern and be paramount. No amendment or alteration of this Agreement shall be valid or binding unless made in writing and signed by each of the Vendor and CBRE.
- 16. This Agreement shall be read with such changes of gender or number as may be required by the context. All of the parties hereto have agreed that this Agreement shall be prepared in English, and that this Agreement shall be exclusively governed by the laws in force and effect in the Province of Ontario, Canada.
- 17. The duly authorized officer hereby acknowledges that he or she has read and fully understands this Agreement and acknowledges this date having received a copy of same.
- 18. The Vendor acknowledges being advised that the broker of record and registered salesperson(s) are insured pursuant to Ontario Regulation 579/05 made under the Real Estate and Business Brokers Act (2002).
- 19. The Vendor and CBRE agree that this Agreement may be executed in counterparts, and that all such counterparts taken together shall be deemed to constitute one and the same document, and that a faxed or emailed copy of this Agreement, duly executed by all of the parties thereto shall have the same legal effect as an original.
- 20. This Agreement and any agreements, notices or other communications contemplated hereby may be transmitted by means of email, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Vendor by email shall be deemed to confirm the Vendor has retained a true copy of this Agreement.
- 21. The Vendor will not hold CBRE responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by CBRE or anyone else by any means, including theft or vandalism, other than loss or damage caused by CBRE's negligence or willful act(s) or omission(s).
- 22. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, provided that neither of the parties hereto shall have the right to assign this Agreement without the prior written consent of the other of them.

Dated at Toronto this _____ day of _____, 2017.

_____) **Collins Barrow Toronto Limited,**
 _____) **solely in its capacity as Court-Appointed**
 _____) **Receiver of 2380009 Ontario Limited**
 _____) **with no personal or corporate liability**
 _____)
 _____)
 _____) Per: _____
 Witness _____) I have the authority to bind the Corporation.

Dated at Toronto this _____ day of _____, 2017.

_____) **CBRE LIMITED**
 _____) **("CBRE")**
 _____)
 _____)
 _____) Per: _____
 Witness _____) I have the authority to bind the Corporation.

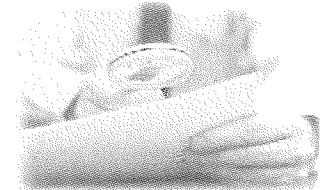
TAB O

LEASE REVIEW

The structure of the lease and its contents are relevant when selling a building with an existing tenant and lease as a properly structured lease defines both tenant and landlord obligations clearly and ensures that when either party is in default the other party can remedy accordingly.

In summary, the current lease structure and clarity regarding tenant and landlord responsibilities is weak which may impact investors interest in the property. We have identified potential issues which an investor may have with the current lease.

If the property is sold with the current tenant and a lease in place, it is our recommendation that a new lease agreement be signed at current market rents. If new rents are structured, it is important that the tenant be able to demonstrate it has the ability to pay the revised rent.



CLAUSE	ISSUES
<p>Basic Rent (1) and (1a) February 1, 2014 - January 31, 2019 = \$3.23 psf February 1, 2019 - January 31, 2024 = \$3.59 psf</p>	<ul style="list-style-type: none"> • Current rental rates do not reflect market • Market rents for this building are \$5.00 - \$5.50 per sq.ft.
<p>Additional Rent (2a) The first 5 years will exclude the additional municipal property tax component as a reimbursement to leasehold improvements provided by the tenant. The additional rent will commence on the February 01, 2019 to January 31, 2024.</p>	<ul style="list-style-type: none"> • Tenant is only paying \$90,000 of \$120,000 in taxes. Landlord is responsible for repair and maintenance on HVAC, electrical, mechanical and plumbing systems on top of all structural elements and roof. • Landlord will not be able to collect all municipal taxes from the Tenant until February 1, 2019. • Roof is nearing replacement
<p>Cleaning and Maintenance (7) The Tenant shall be responsible for the cleaning and maintenance of the Premises including the cost of garbage removal, the Landlord shall be liable for any personal injuries incurred by any person due to the Tenant's failure to repair, maintain or clean the said Premises.</p>	<ul style="list-style-type: none"> • Not typical • Unquantifiable liability to the Landlord. • Tenant should arrange it's own general liability policy
<p>Renewal Option (1) Provided the Tenant is not currently in default under any provision of this Lease, the Tenant shall have the right to renew this Lease for a term of Ten (10) years consisting of 2 x Five (5) year terms upon the same terms and conditions as contained herein, save and except for the amount of Basic Rent.</p>	<ul style="list-style-type: none"> • Investor is potentially tied to this Tenant for another 15+ years
<p>Termination and Over Holding (1) If the Tenant remains in possession of the Premises after the expiration of the Term or renewals term without objections by the Landlord, there shall be no tacit renewal of this Lease, and the Tenant shall be a monthly Tenant only at a monthly rental equal to the amount of the Rent and Additional Rent and Harmonized Sales Tax previously paid by the Tenant during the months immediately preceding the expiration of the Term. Such monthly tenancy shall, in all other respects, be upon the same terms and conditions as contained in this Lease.</p>	<ul style="list-style-type: none"> • No penalty. • Current and future rates are below market value
<p>Municipal Taxes and Fees The Landlord shall be responsible and pay for all municipal realty taxes and local improvement rate assessed against the Premises and the Tenant shall make a contribution thereto as set out herein.</p>	<ul style="list-style-type: none"> • Currently there are over \$346,000 of unpaid property taxes. This demonstrates that the Tenant or the Landlord are not properly paying. • Demonstrates to investors that the Tenant may have issues meeting its rental commitments



COMMERCIAL LEASE

January 15, 2014

BETWEEN:

2380009 ONTARIO LIMITED

(The "Landlord")

BUILTRITE TECHNOLOGIES INC.

(The "Tenant")

In consideration of the rents, covenants and obligations stipulated herein, Landlord and the Tenant have agreed to enter into a Lease of the commercial space and Premises comprising part of the first floor, office and entire basement totaling 66,823 sq.ft. of the property municipally known as 2370 South Sheridan Way, Mississauga, Ontario (hereinafter called the "Premises")

Total Square Footage including basement equates to 78.964 Sq. Ft.

1. Grant of Lease

- (1) The Landlord Leases the Premises to the Tenant: (a) at the rent set forth in Section 2; (b) for the Term set forth in Section 3; (c) subject to the conditions and in accordance with the covenants, obligations and agreements herein.

(2) The Landlord covenants that he has the right to grant the Leasehold interest in the Premises free from encumbrances except as disclosed on title.

2. Rent

Basic Rent

(1) The Tenant covenants to pay the Landlord basic rent at a rate of \$ 216,000.00 per year, payable \$18,000.00 monthly in advance on the 1st day of each and every month, from and including February 1st 2014 to and including January 31, 2019.

Below current market value

(1a) The Tenant covenants to pay the Landlord basic rent at a rate of \$ 240,000.00 per year, payable \$20,000.00 monthly in advance on the 1st day of each and every month, from and including February 1st 2019 to and including January 31, 2024

Additional Rent

(2) The Tenant covenants to pay the Landlord the sum of \$7500.98 per month as Additional Rent for municipal property taxes.

Below actual cost of current property tax. (2016 property taxes \$120,113)

Handwritten initials/signature

(2a) The first 5 years will exclude the additional municipal property tax component as a reimbursement to leasehold improvements provided by the tenant.

The additional rent will commence on the February 01, 2019 to January 31, 2024.

Harmonized Sales Tax

- (3) The Tenant acknowledges that all rents are subject to a Harmonized Sales Tax (HST) under the Excise Tax Act of Canada.

Prepaid Rent

- (3) The Landlord acknowledges receipt of the sum of all \$40,680.00 from the Tenant on account of the Rent, Additional Rent and HST for the first and last month of the Lease.

3. TERM AND POSSESSION

- (1) The Tenant shall have possession of the Premises for a period of Ten (10) years, commencing on the 1st day of February, 2014 and ending on the 31st day of January 2024 (the "Term") for the space of 66,823 square feet total.
- (2) Subject to the Landlord's rights under this Lease, and as long as the Lease is in good standing, the Landlord covenants that the Tenant shall have quiet enjoyment of the Premises during the Term of this Lease without interruption or disturbance from the Landlord, the Landlord agents, or any other persons lawfully claiming through the Landlord.
- (3) The Landlord shall have the right to enter and inspect the Premises from time to time during normal business hours upon reasonable notice to the Tenant. In the event of a fire, flood, a gas leak or similar serious emergency the Landlord shall have the right to enter the Premises without notice, provided that he notifies the Tenant as soon as possible thereafter.

ASSIGNMENT & SUBLEASE IN

- (1) The Tenant shall not assign this Lease or sub-lease the whole or any part of the Premises unless he first obtains the consent of the Landlord in writing, which consent shall not be unreasonably withheld.
- (2) The consent of the Landlord to any assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting.

MAT R

USE

- (1) During the Term of this Lease the Premises shall not be used for any purpose other than as General Office, Extrusion manufacturing, Assembly, Fabricating or any similar business or such other commercial use as may be legally permitted and approved in writing by the Landlord.
- (2) The Tenant shall not do or permit to be done at the Premises anything which may:
 - (a) constitute a nuisance;
 - (b) cause damage to the Premises;
 - (c) cause injury or annoyance to occupants of neighboring Premises;
 - (d) make void or voidable any insurance upon the Premises; or
 - (e) constitute a breach of any bylaw, statute, code, order or regulation of any municipal or regional, or other, but competent authority relating to the Premises.

REPAIR AND MAINTENANCE

- (1) The Tenant covenants that during the Term of this Lease and any renewal thereof, he shall keep the interior of the Premises, in good operable condition, and the Tenant shall promptly make all the needed repairs and effect all necessary replacements as would a prudent owner, save and except for the items in subsection (3) below.
- (2) The Tenant shall be responsible for repairs or replacement of any equipment or Leasehold improvements installed by the Tenant, and the Tenant shall be liable to affect repairs for damage to the Premises, including doors, windows and plate glass, caused by the Tenant, the Tenant's agents, employees, customers, or invitees.

Exemptions

- (3) The Tenant shall not be responsible for damage caused by reasonable wear and tear, or caused by fire, lightning, flood, storm, civil insurrection or war, or for repairs to the following:
 - (a) Building foundation, exterior walls common roof and roof membrane;
 - (b) Heating ventilation and air conditioning, and electrical, mechanical and plumbing systems.
- (4) The Landlord shall be responsible for effecting repairs with respect to all items exempted from the Tenant's obligations under Section 6 (3) of this Lease.

Typically, these costs are Tenant responsibility

Repairs

Landlord's Responsibility

Leasehold Improvements

- (5) The Tenants shall have the right, subject to the Landlord's approval which shall not be withheld unreasonably, to make Leasehold improvements and install the Tenant's fixtures, and the landlord agrees to forthwith deliver possession of the Premises to the Tenant in order to allow the Tenant to renovate, redecorate or make such Leasehold improvements and to install such fixtures as may be necessary for the operation of the Tenant's business.
- (6) The Tenant undertakes and covenants that he will carry out any and all Leasehold improvement work and install in good and workmanlike manner, and at his own expense and in compliance with all applicable rules, regulations, laws, bylaws, codes, statutes or standards.

Cleaning and maintenance

- (7) The Tenant shall be responsible for the cleaning and maintenance of the Premises including the cost of garbage removal, the Landlord shall be liable for any personal injuries incurred by any person due to the Tenant's failure to repair, maintain or clean the said Premises.

Additional Risk to Landlord

UTILITIES AND SERVICES

- (1) The Tenant shall be responsible to pay for his own water, electricity, gas, heating, telephone, fire alarm or security systems, and any rental equipment or other service supplying the Premises.

MUNICIPAL TAXES AND FEES

- (1) The Landlord shall be responsible and pay for all municipal realty taxes and local improvement rate assessed against the Premises and the Tenant shall make a contribution thereto as set out herein.

Additional Costs to Landlord

- (2) The Tenant shall also pay for his own municipal business licenses and Merchants Association membership fees, if any.

INSURANCE

- (1) During the term of this Lease and any renewal hereof, the Landlord shall maintain with respect to the Premises, insurance coverage to protect against loss or damage by fire, lightning, storm and other perils that may cause damage to the Premises or the property of the Landlord in which the Premises are located and such other insurance, including third-party liability and rent a loss, as the landlord may deem appropriate.

mt. R

- (2) Notwithstanding any third-party liability insurance coverage arranged by the Landlord, the Tenant agrees and covenants to save harmless and keeps indemnify Landlord against all claims and demands whatsoever by any person, whether in respect of injury or damage to persons or property, arising out of or occasioned by the Tenant's use

or occupancy of the Premises, or the subletting or assignment of same or any part thereof, and the Tenant further covenants to indemnify the Landlord with respect to any encumbrance on or damage to the Premises occasioned by or arising from the act, default, or negligence of the Tenant, its agents, servants, employees, contractors, customers, invitees or licensees.

- (3) The Tenant shall carry business insurance in his own name to provide coverage with respect to:
- (a) third party or public liability claims;
 - (b) risk of business interruption to any extent sufficient to allow the Tenant to meet his ongoing obligations to the Landlord and to protect it and it against loss of revenue;
 - (c) Tenant equipment, chattels, inventory, property and Leasehold improvements; and
 - (d) plate glass damage.
- (4) The Tenant shall provide the Landlord with proof of the aforesaid Tenant's insurance forthwith upon demand of the Landlord.

DAMAGE TO THE PREMISES

- (1) If the Premises or the building in which the Premises is located, are damaged or destroyed, in whole or in part, by fire or other peril, then the following provisions shall apply:
- (a) if the damage or destruction renders the Premises unfit for occupancy and impossible to repair or rebuild using reasonable diligence within 90 clear days from the happening of such damage or destruction, then the Term hereby granted shall cease from the date the damage or destruction occurred, and the Tenant shall immediately surrender the remainder of the Term and give possession of the Premises to the Landlord, and the rent from the time of the surrender shall abate;
 - (b) If the Premises can with reasonable diligence be repaired and rendered fit for occupancy within 90 days from the happening of such damage or destruction, then the rent hereby reserved shall not accrue after the day that the damage or destruction occurred, or while the process of repairs is going on, and the Landlord shall repair the Premises with all reasonable speed, and the Tenant's obligations to pay rent shall resume immediately after the necessary repairs had been completed;

W.A. R

- (c) If the Premises can be repaired within 90 days as aforesaid, but the damage is such that the Premises are capable of being partially used, and until such damage has been repaired, the Tenant shall remain in possession and the rent shall abate a proportionately.
- (2) Any question as to the degree of damage or destruction or the period of time required to repair or rebuild shall be determined by an architect retained by the Landlord.

ACTS OF THE FAULT AND LANDLORD'S REMEDIES

- (1) An act of default has occurred when:
- (a) the Tenant has failed to pay rent for a period of 15 consecutive days whether or not demand for payment has been made by the Landlord; or
 - (b) the Tenant has breached his covenants or fail to perform any of his obligations under this Lease, and the Landlord has given notice specifying the nature of the default and the steps required to correct it, and the Tenant has failed to correct the default as required by the notice;
 - (c) the Tenant has become bankrupt or insolvent or made an assignment for the benefit of any creditor, or at his property seized or attached in satisfaction of the judgment, or had a receiver appointed, or committed any act or neglected to do anything with the result that a construction lien or other encumbrance is registered against the Landlord property;
 - (d) The Landlord's insurance policy is canceled or not renewed by reason of the Tenant's illegal use or occupation of the Premises;
 - (e) The Premises becomes vacant or remains unoccupied for a period of 30 consecutive days, or are used by any other person or persons or for any other purpose than as provided by this Lease without the written consent of the Landlord.

Termination and Re-Entry

- (2) When an act of default on the part of the Tenant occurs, the Landlord shall have the right to terminate this Lease and re-enter the Premises and deal with the Premises as he may choose.

Distress

- (3) The Tenant covenants that notwithstanding any present or future act of the legislature of the Province of Ontario, the personal property the Tenant shall not be exempt from levy by distress for rent in arrears; and the Tenant acknowledges that it is upon the express understanding that there should be no such exemption that this Lease is entered into, and executing this Lease The Tenant waves the benefit of any such legislative provisions which might otherwise be available to the Tenant in the absence of this Agreement.

MA
R

Rectification by the Landlord

(4) If, when an act of default has occurred, the Landlord chooses not to terminate the Lease and re-enter the Premises, the Landlord shall have the right to take any and all necessary steps to rectify any and all acts of default of the Tenant and to charge the cost of such rectification to the Tenant and to recover the costs as rent.

Waiver

(5) If, when an act of default has occurred, the Landlord chooses to waive his right to exercise the remedies available to him under this Lease or at all, the waiver shall not constitute condonation of the act of default, nor shall the waiver be treated as an estoppel against the Landlord to prevent his exercising his remedies with respect to any subsequent act of default.

(6) No covenants, term, or condition of this Lease shall be deemed to have been waived by the Landlord unless the waiver is in writing and signed by the Landlord.

SUBORDINATION AND POSTPONEMENT

(1) This Lease and all the rights of the Tenant under this Lease are subject and subordinate to any and all charges against the land, buildings or improvements (the "Property") of which the Premises for a part, whether the charge is in the nature of a mortgage trust deed, lien or any other form of charge arising from the financing or refinancing, including extensions or renewals, of the Landlord's interest in the property.

Subordination and Attornment

(2) Upon the request of the Landlord, the Tenant will execute any form required to subordinate or postpone this Lease and the Tenant's right to any charge, and will, if required, a tom rents to the holder of the charge on the Premises or the property.

Non Disturbance

(3) No subordination or postponement by the Tenant shall have the effect of permitting the holder of any charge to disturb the occupation and possession of the Premises by the Tenant as long as the Tenant performs his obligations under this Lease.

EXTERIOR SIGNS

(1) The Tenant at his own expense and at his own risk may erect signs, subject to the Landlord's approval, to be located at the front of the Premises and as such other additional place or places on the Landlord's property as the Landlord may designate.

(2) All signs erected by the Tenant shall conform to all municipal bylaws and regulations.

*MA.
R.*

(3) The Tenant shall be responsible for the repair and maintenance of any signs, and the Tenant shall be responsible for the removal of the signs upon the termination of the Lease.

REGISTRATION

(1) The Tenant shall not at any time registered notice or a copy of this Lease on title to the property of which the premise these form part, without the written consent of the Landlord.

(2) The Tenant shall forthwith provide the Landlord with a true copy of any document registered, or caused be registered, on the title to the property by the Tenant or by any security holder of the Tenant.

RENEWAL OPTION PARAGRAPH

(1) Provided the Tenant is not currently in default under any provision of this Lease, the Tenant shall have the right to renew this Lease for a term of Ten (10) years consisting of 2 x Five (5) year terms upon the same terms and conditions as contained herein, save and except for the amount of Basic Rent.

(2) The rental to be paid by the Tenant during the renewal term shall be agreed upon by the parties at the commencement date of the renewal term and shall be based upon prevailing market rent.

(3) If the parties fail to reach an agreement as to the rental payable during the renewal term, the rentals shall be settled by arbitration in accordance with the provisions of the Arbitration Act of Ontario, and the decision of the arbitration panel's shall be final and binding upon the parties hereto.

(4) In order to exercise his right of renewal, the Tenant shall serve the Landlord with written notice of the Tenants intention no later than Three (3) months prior to the expiration of the Term. If such written notice is not given to the Landlord within the time specified, the Tenant shall be deemed to have waived his right to renew.

Typical Renewal Notice period is 6-9 Months

TERMINATION AND OVER HOLDING

(1) If the Tenant remains in possession of the Premises after the expiration of the Term or renewals term without objection by the Landlord, there shall be no tacit renewal of this Lease, and the Tenant shall be a monthly Tenant only at a monthly rental equal to the amount of the Rent and Additional Rent and Harmonized Sales Tax previously paid by the Tenant during the months immediately preceding the expiration of the Term. Such monthly tenancy shall, in all other respects, be upon the same terms and conditions as contained in this Lease.

Typical Over hold provisions equate to 150% of existing Lease rates

NOTICE

(1) Any the notice required or permitted to be given by one party to the other pursuant to the terms of this Lease shall be given to the Tenant at the premises and to the Landlord at:

**Mark Lathem LLP
c/o 2380009 Ontario Limited
588 Edward Avenue, unit 49
Richmond Hill, Ontario L4C 9Y6**

To the Tenant at the Premises.

(3) And a notice given by one party to the other in accordance with the provisions of this Lease shall be deemed conclusively to have been received on the date delivered, if the notice is served personally, or five (5) days after mailing if the notices mailed.

INTERPRETATION


(1) The words importing this singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include firms and corporations and vice versa.

(2) The words "Landlord" and "Tenant" and "Guarantor" wherever used in this Lease shall be construed to include in the executors', administrators, successors and assigns of the Landlord and Tenant and guarantor, respectively.

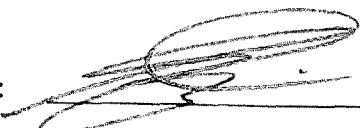
(3) When there are two or more parties bound by the same covenants herein contained, the obligations shall be joint and several.

IN WITNESS of the foregoing covenants, the Landlord, Tenant and Guarantor have executed this Lease.

WITNESSED:

) 2380009 ONTARIO LIMITED
)
)
) Per: 
) Elias MANABEO
)

BUILTRITE TECHNOLOGIES INC.
I have authority to bind the corporation

)
)
)
) Per: 
) M. HERNANDEZ
)

TAB P



Collins Barrow Toronto Limited
 Collins Barrow Place
 11 King Street West
 Suite 700, PO BOX 27
 Toronto, Ontario M5H 4C7
 Canada
 T: 416.480.0160
 F: 416.480.2646

toronto.collinsbarrow.com

NOTICE AND STATEMENT OF RECEIVER (SECTION 245(1) AND 246(1) OF THE ACT)

In the matter of the receivership of the property of 2380009 Ontario Limited (the "**Company**")

The receiver gives notice and declares that:

1. On the 7th day of February, 2017, the undersigned Collins Barrow Toronto Limited was appointed as receiver (the "**Receiver**") in respect of all of the assets, undertakings and properties of the Company, an insolvent person that is described below:

Land and building	\$ Unknown
Other assets	\$ Unknown

2. The undersigned became a receiver in respect of the property described above by virtue of being appointed by the Ontario Superior Court of Justice - Commercial List.
3. The undersigned commenced the exercise of its powers in respect of that appointment on the 7th day of February, 2017.
4. The following information relates to the receivership:
 - a) Registered Office Address of insolvent company: 1277 Wilson Avenue, Suite 406, North York, Ontario
 - b) Principal line of business: owner of an industrial building located at 2370 South Sheridan Way, Mississauga, Ontario
 - c) The amounts owed by the Company to the creditors who appear to hold a security interest on the property described above include:

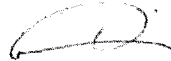
2292912 Ontario Inc.	\$3,394,878
2383603 Ontario Inc. / Atlantic (HS) Capital Inc. / Atlantic Advantage Management Inc.	\$2,600,000
Bay Point Financial Services Inc.	\$350,000
ECO Energy Home Services Inc.	Unknown

G & L Carpenters Limited	Unknown
Giacomo Francesconi	\$320,000
Lucien Carpenters Limited	Unknown
Mario Iacobelli / Gina Iacobelli	\$420,000
Mercedes Francesconi	Unknown
Renato Francesconi	Unknown
William Fong	Unknown

- d) The list of creditors of the Company and the amount owed to each creditor by the insolvent company is attached. This list has been compiled based on information provided by the Company and searches of the Personal Property Security Registration System and Land Registry and has not been audited or verified by the Receiver. The fact that persons are receiving this notice or are included on the creditors list does not mean that it has been determined that they are a creditor or that if they are a creditor, that their claim is admitted in the amount set out on that list.
- e) The plan of the Receiver is to market and sell the land and building owned by 2380009 Ontario Limited.
- f) Contact person for the Receiver:
- Brenda Wong
Collins Barrow Toronto Limited
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario M5H 4C7
Telephone: (647) 727-3621
Facsimile: (416) 480-2646
E-mail: bywong@collinsbarrow.com
- g) Additional information: A copy of the receivership order is posted on the Receiver's website at <http://www.collinsbarrow.com/en/toronto-ontario/2380009-Ontario-Limited>. Other pertinent public information will be posted to this website as that information becomes available.

Dated at Toronto this 16th day of February, 2017.

COLLINS BARROW TORONTO LIMITED
In its capacity as Court Appointed Receiver of
2380009 Ontario Limited and not in its personal
capacity



Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT
President

COLLINS BARROW TORONTO LIMITED
In the Matter of the Receivership of the Property of
2380009 ONTARIO LIMITED

LIST OF CREDITORS

Creditors who appear to hold a security interest	
2292912 Ontario Inc.	\$ 3,394,878.36
2383603 Ontario Inc. / Atlantic (HS) Capital Inc. / Atlantic Advantage Management Inc.	2,600,000.00
Bay Point Financial Services Inc.	350,000.00
ECO Energy Home Services Inc.	Unknown
G & L Carpenters Limited	Unknown
Giacomo Francesconi	320,000.00
Lucien Carpenters Limited	Unknown
Mario Iacobelli / Gina Iacobelli	420,000.00
Mercedes Francesconi	Unknown
Renato Francesconi	Unknown
William Fong	Unknown
Total	<u><u>\$ 7,084,878.36</u></u>
 Other Creditors	
Fan Xiao Bing a.k.a. Angela Fan	Unknown
The Corporation of the City of Mississauga	\$ 235,909.26
Total	<u><u>\$ 235,909.26</u></u>

Supplementary Mailing List

Department of Justice
Canada Revenue Agency
Ministry of Finance
Office of the Superintendent of Bankruptcy
Himelfarb Proszanski LLP
Builtrite Technologies Inc.
Elias Mancebo
Marcelo Hernandez
Christophere Ho
Ho and Associates Consulting Group Inc.
George Ruggiero, Schneider Ruggiero LLP
Barry Cohen, Torkin Manes LLP

TAB Q

APPENIDX "Q"

Collins Barrow Toronto Limited
Court Appointed Receiver of 2380009 Ontario Limited
Interim Statement of Receipts and Disbursements
For the period February 7, 2017 to April 30, 2017

Receipts	
Advances from secured lender (1)	\$ 75,000
Rent	31,858
HST collected	4,142
Interest on bank deposit	10
Total receipts	<u>\$ 111,010</u>
Disbursements	
Appraisals	\$ 3,273
Insurance	2,600
Legal fees (2)	7,778
Other	345
Receiver's fees (3)	40,453
Utilities	3,173
HST/PST paid	7,324
Total disbursements	<u>\$ 64,946</u>
Net cash on hand	<u>\$ 46,064</u>

Notes:

- (1) Funds advanced by 2292912 Ontario Inc. under Receiver Certificate No. 1.
- (2) Includes fees to February 28, 2017.
- (3) Includes fees to March 31, 2017.

*This Appendix forms part of the Receiver's Report to the Court dated
May 11, 2017 and should only be read in conjunction therewith.*

TAB R

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

2292912 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

Respondent

AFFIDAVIT OF DANIEL WEISZ
(Sworn May 11, 2017)

I, **DANIEL WEISZ**, of the City of Vaughan, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior 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 an order of the Court dated February 7, 2017, CBTL was appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and

properties of 2380009 Ontario Limited (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof.

3. Attached hereto and marked as **Exhibit “A”** to this my affidavit are copies of invoices issued by CBTL for fees and disbursements incurred by CBTL in respect of the receivership application and receivership proceedings for the period November 8, 2016 to April 30, 2017 (the “**Period**”). The total fees charged for the Period are \$53,301.00, plus disbursements of \$31.27 and HST of \$6,933.20 for a total of \$60,265.48. The average hourly rate charged during the Period was \$434.05.

4. The invoices are a fair and accurate description of the services provided and the amounts charged by CBTL for the Period.

5. Attached hereto and marked as **Exhibit “B”** is a schedule summarizing the invoices in Exhibit “A”, the total billable hours charged, the total fees charged and the average hourly rate charged.

6. I make this affidavit in support of a motion for an Order approving the Receiver’s fees and disbursements and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 11th day of May, 2017

A Commissioner, etc.

Jeffrey S. Simpson

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)
)
)
)



DANIEL WEISZ

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN BEFORE ME
THIS 11th DAY OF May, 2017**

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

A Commissioner, etc.

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

To Collins Barrow Toronto Limited
 Court-appointed Receiver of 2380009 Ontario Limited
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

T. 416.480.0160
 F. 416.480.2646

toronto.collinsbarrow.com

Date March 9, 2017

Client File 301618-36118

Invoice 1

No. C000438

GST/HST: 80784 1440 RT 0001

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver of 2380009 Ontario Limited (the "**Company**") for the period to February 28, 2017.

Date	Professional	Description
11/8/2016	Daniel Weisz	Exchange emails with R. Finkel of Blaney McMurtry LLP ("Blaney") regarding status of the property.
11/9/2016	Daniel Weisz	Discussion with B. Cohen of Torkin Manes.
11/29/2016	Daniel Weisz	Discussion with B. Cohen on status.
11/30/2016	Daniel Weisz	Email to R. Finkel regarding status.
12/1/2016	Daniel Weisz	Exchange emails with R. Finkel regarding tomorrow's application being adjourned, email to B. Cohen regarding same.
12/5/2016	Daniel Weisz	Email to R. Finkel on status.
1/5/2017	Daniel Weisz	Exchange emails with R. Finkel regarding status of application for the appointment of a Receiver; discussion with R. Finkel.
1/8/2017	Daniel Weisz	Exchange emails with R. Finkel regarding status of receivership application.
1/9/2017	Daniel Weisz	Exchange emails with R. Finkel regarding court application scheduled for tomorrow; discussion with R. Finkel; subsequent discussion with R. Finkel regarding required court attendance tomorrow.
1/10/2017	Daniel Weisz	Prepare for and attend in court regarding application for appointment of Receiver.
2/6/2017	Daniel Weisz	Discussion with R. Finkel regarding status of the receivership application and her discussion with T. Arndt of Himelfarb Proszanski LLP; conference call with R. Finkel and P. Jones of Timbercreek regarding court application scheduled for tomorrow; subsequent discussion with R. Finkel; review of emails.
2/7/2017	Brenda Wong	Meet with D. Weisz to discuss engagement; prepare list of information required; review receivership order; review results of the Personal Property Security Act registration system; call with Sterling Karamar Property Management ("Sterling"); call with R. Finkel, P. Jones and D. Weisz regarding status update; call and email to R. Mohamed of Canfinse Group Inc. ("Canfinse") regarding status of the Company's insurance.

Date	Professional	Description
2/7/2017	Daniel Weisz	Review motion record served by T. Arndt; prepare for and attend at court regarding application for the appointment of the Receiver; discussion after court with T. Arndt, E. Mancebo and M. Hernandez; email to S. Russo of Sterling regarding issuance of the court order; voicemail message for B. Cohen regarding same; discussion with B. Wong on court order being issued and list of information required to be prepared; email to E. Mancebo and M. Hernandez regarding setting up meeting at the Company; conference call with S. Russo and B. Wong; prepare for conference call with Timbercreek; review results of the Personal Property Security Act registration system; conference call with P. Jones, R. Finkel and B. Wong to discuss the receivership order issued and status of various matters; review status of property management agreement and discussion with T. McGowan of Sterling regarding same; second email to E. Mancebo and M. Hernandez regarding the Receiver attending at the property tomorrow; discussion with M. Hernandez regarding attending at the Company tomorrow.
2/8/2017	Brenda Wong	Review tenant lease agreement provided; call with D. Weisz and B. Cohen regarding status update; attending at 2370 South Sheridan Way to meet with debtor; prepare introduction for Receiver's webpage; update service list; call and send letters to RBC and BMO to request freezing of the Company's accounts; send follow-up email to Canfinse; draft letter to BuiltRite regarding rent payments; review insurance policy and email to Canfinse regarding premiums paid; email and discussion with HUB regarding sufficiency of Company's insurance policy.
2/8/2017	Daniel Weisz	Prepare for meeting at the Company; prepare for discussion with B. Cohen; conference call with B. Cohen and B. Wong regarding various matters relating to the appointment of the Receiver; attend with B. Wong at the Company's premises and meet with E. Mancebo and M. Hernandez; exchange emails with Blaney regarding the service list; discussion with P. Jones on status; discussion with S. Russo regarding status of property management agreement; discussion with R. Finkel and review emails; discussion with B. Wong on insurance and obtaining appraisals; email to T. McGowan regarding the property management agreement; email to E. Mancebo and M. Hernandez introducing S. Russo; review lease document provided, review draft letter to BuiltRite and discussion with B. Wong on same; review email regarding insurance and discussion with B. Wong on same.
2/9/2017	Brenda Wong	Review email from HUB regarding requirements for insurance; email to Sterling regarding checking for current certificates; email to S. Thom of Torkin Manes draft letter to tenant for review; email to Altus and call and email to Colliers regarding quote for updating appraisal of the property; emails with R. Mohamed regarding insurance premiums paid; review notices from bailiff and send letter to bailiff to advise of receivership and stay of proceedings; review email from the Company regarding the Receiver's request for information.
2/9/2017	Daniel Weisz	Exchange emails with R. Finkel regarding lease for the premises; review emails.
2/10/2017	Brenda Wong	Meet with D. Weisz to review status; send follow up emails to Sterling regarding Thursday site inspection and proposed changes to property management agreement; discussion with M. Jules of Sterling regarding site visit; email to P. Jones regarding insurance coverage; email to Canfinse

Date	Professional	Description
		regarding loss history; emails with HUB regarding obtaining liability coverage for the Receiver for one month; review prior appraisals and quotes for new appraisals; review PIN search and start preparing the Notice and Report pursuant to Sections 245 and 246 of the Bankruptcy and Insolvency Act (the "BIA Notice"); send letter to BuiltRite regarding rent payments.
2/10/2017	Daniel Weisz	Meet with B. Wong to discuss status of insurance, property management agreement and appraisals; email to S. Thom; discussion with B. Cohen and S. Thom regarding lease agreement provided to the Receiver, requesting the security held by secured parties and the status of the receivership administration; discussion with B. Wong on her discussion with Sterling regarding site visit; discussion with M. Blauweis and subsequent discussion with B. Cohen re the property management agreement; exchange emails with T. McGowan regarding call on Monday.
2/11/2017	Daniel Weisz	Review B. Cohen comments on the premises lease and email to B. Cohen on same; discussion with B. Wong on her review of quotes for appraisals for the property; discussion with B. Wong on status of insurance; review emails with appraisers; attend conference call with representatives of Sterling to discuss the receivership.
2/13/2017	Brenda Wong	Review proposals and discussion with D. Weisz regarding appraisals; call and email to Colliers and Altus regarding appraisal to be done in two phases; follow up with insurance broker regarding status, review response and advise HUB in respect of its information request; work on the BIA Notice; send follow-up email to E. Mancebo and M. Hernandez regarding outstanding information; status update call with Sterling.
2/14/2017	Brenda Wong	Review snow contract and email to M. Hernandez regarding Certificate of Insurance required from contractor; review draft of status update email; send follow up email to S. Thom regarding insurance; email to B. Cohen/S. Thom regarding review of Colliers proposal; make edits to the BIA Notice; call to Sterling to follow up on property management agreement.
2/14/2017	Daniel Weisz	Discussion with G. Ruggiero of Schneider Ruggiero LLP; draft status email to Timbercreek and discussion with B. Wong on same; review and consider changes required to appraisal proposal received from Colliers.
2/15/2017	Brenda Wong	Review counsel's comments on the lease regarding insurance; emails with HUB regarding lease and liability insurance; email to M. Hernandez regarding adding Receiver as additional insured to BuiltRite's liability policy; review counsel's comments on Colliers proposal, make edits and send blacklined copy to Colliers; email to M. Hernandez regarding redirection of BuiltRite payments to 2380009 Ontario Limited; review changes to draft property management agreement; make revisions to the BIA Notice.
2/15/2017	Daniel Weisz	Review draft BIA Notice and discussion with B. Wong on same; review Sterling changes to draft property management agreement.
2/16/2017	Brenda Wong	Emails with Sterling regarding wording of draft property management agreement; update creditor mailing list and email to creditors on service list with email addresses; follow up email to Altus regarding proposal and discussion with M. Wootton regarding same; email to HUB regarding insurance coverage; review outstanding information to be provided by the Company and information required for appraisers; review email regarding counsel's discussion with Koskie Minsky; respond to email from T. Arndt requesting support for amount of 2292912 Ontario Inc.'s debt as noted on

Date	Professional	Description
		the BIA Notice; review and respond to email from G. Ruggiero.
2/16/2017	Daniel Weisz	Review emails; meet with B. Wong to discuss outstanding matters; discussion with R. Finkel on various matters; exchange emails with T McGovern regarding the property management agreement; review and sign the BIA Notice; review proposal for appraisal received from Altus; review request for information from counsel to the Company and discussion with R. Finkel on same; review email from T. McGovern and email to B. Cohen regarding same; discussion with B. Wong on her discussion with Altus; exchange emails with B. Cohen regarding the property management agreement.
2/16/2017	Donna Nishimura	Prepare and send out the BIA Notice.
2/17/2017	Brenda Wong	Email to M. Hernandez regarding outstanding information and information required for appraisers.
2/17/2017	Daniel Weisz	Exchange emails with B. Cohen regarding status of the property management agreements and his discussions/correspondence with R. Lebow, counsel to Sterling.
2/21/2017	Brenda Wong	Review emails from M. Hernandez and information provided; review revised proposal from Colliers; draft email regarding appraisals; prepare estimate of cash requirements; send follow-up email to Canfinse regarding status of insurance policy; call from Ecoenergy Home Services ("Ecoenergy") regarding status of the property.
2/21/2017	Daniel Weisz	Review email from R. Finkel's office regarding security documents and forward to Torkin Manes; review quotes for appraisals and update email to Timbercreek regarding same and send; review budget of funding required and discussion with B. Wong on same; update property management agreement; review email from P. Jones regarding appraisal quotes; discussion with R. Finkel regarding appraisal quotes and receivership funding.
2/22/2017	Brenda Wong	Review email from Ecoenergy and update Service List; review changes to property management agreement; discussion with D. Weisz regarding proposals for appraisals and emails to Timbercreek and Altus regarding same.
2/22/2017	Daniel Weisz	Review and reply to email from B. Cohen; review and update property management agreement for comments received; execute property management agreement and email to Sterling in respect of same.
2/23/2017	Daniel Weisz	Discussion with B. Cohen on lease and security opinion; review and update schedule of funding requirements and forward to Timbercreek; review signed property management agreement received from Sterling; exchange emails with B. Cohen regarding registering receivership order on title to the property.
2/23/2017	Brenda Wong	Email to M. Hernandez to follow up on outstanding items; review email correspondence.
2/24/2017	Brenda Wong	Letter to City of Mississauga to notify of receivership and request change in mailing address; telephone discussion with City of Mississauga and emails regarding payment of outstanding taxes to go to bailiff; review and respond to email from HUB regarding certificate of insurance; discussion with D. Weisz regarding status; letter to BMO to open trust account for receivership; send follow-up email to Canfinse regarding Aviva policy; emails

Date	Professional	Description
		with B. Cohen regarding Altus appraisal approach; follow up with M. Hernandez regarding information requested.
2/24/2017	Daniel Weisz	Meet with B. Wong to discuss the status of various matters including insurance, appraisals for property, information requested from the Company, etc., review email from B. Cohen regarding email from Koskie Minsky re second mortgagee and reply to same; review emails from B. Cohen regarding appraisals for the property; discussion with B. Cohen regarding interest rate for Receiver Certificate and discussion with B. Wong on same.
2/27/2017	Daniel Weisz	Review and sign proposal letter from Colliers regarding appraisal of the property.
2/27/2017	Brenda Wong	Emails to Colliers regarding signed proposal, site visit and information provided by the Company; review Altus revised proposal; review Metrix appraisal and email to M. Hernandez regarding additional information requested.
2/28/2017	Brenda Wong	Emails with Ecoenergy to ask for information with respect to the nature of its interest; call and emails with Timbercreek regarding funding advanced; prepare cheque requisitions for bills to be paid; review mortgage document regarding calculation of interest on the Receiver Certificate.
2/28/2017	Daniel Weisz	Review revised proposal from Altus and discussion with B. Wong on same; review of emails; exchange emails with B. Cohen regarding status of Altus appraisal and call in to R. Finkel regarding same; review status of outstanding information from the Company; review email from B. Cohen regarding Ecoenergy registration on title and email to B. Cohen regarding same; email to R. Finkel regarding Ecoenergy registration on title; discussion with R. Finkel regarding Altus quote; review email from Ecoenergy regarding its registration; review terms of Altus appraisal and provide changes.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	27.20	\$ 495	\$ 13,464.00
Brenda Wong, CIRP, LIT	Senior Manager	19.60	\$ 375	7,350.00
Donna Nishimura	Estate Administrator	0.50	\$ 110	55.00
Total hours and professional fees		47.30		\$ 20,869.00
Disbursements				
Photocopies re Notice & Stmt of Receiver	\$ 6.19			
Postage re Notice & Stmt of Receiver	5.08			
Total disbursements				11.27
Total professional fees and disbursements				\$ 20,880.27
HST @ 13%				2,714.44
Total payable				\$ 23,594.71

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.

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

To Collins Barrow Toronto Limited
 Court-appointed Receiver of 2380009 Ontario Limited
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

T. 416.480.0160
 F. 416.480.2646

toronto.collinsbarrow.com

Date April 7, 2017

Client File 301618-36118

Invoice 2
No. C000445

GST/HST: 80784 1440 RT 0001

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver of 2380009 Ontario Limited (the "**Company**") for the period March 1, 2017 to March 31, 2017.

Date	Professional	Description
3/1/2017	Brenda Wong	Email to M. Wootton of Altus Group Limited ("Altus") regarding revisions to Altus' proposal; email to R. Purdy of Colliers International ("Colliers") regarding status of site visit with BuiltRite Technologies Inc. ("BuiltRite"); email to B. Cohen of Torkin Manes regarding Phase 1 report; follow up with R. Mohamed of Canfinse Group Inc. regarding status of insurance; follow up email to M. Hernandez regarding Receiver's information request; review information provided by Eco Energy with respect to its claim and forward to B. Cohen; prepare Receiver Certificate #1; call and email to Enbridge to ask about gas account for 2370 South Sheridan Way (the "Property"); email to M. Hernandez to confirm receipt of payment and request clarification regarding HST in respect of that payment; email to Sterling Karamar Property Management ("Sterling") to request Certificate of Insurance; call and email to Toronto Inspection Ltd. ("TIL") regarding Receiver's use of TIL's Phase 1 report; call from Enbridge regarding gas account and discussion with D. Weisz regarding same.
3/1/2017	Daniel Weisz	Review of emails with M. Hernandez regarding funds to be paid to the Receiver and status of information to be provided to the Receiver; exchange emails with P. Jones of Timbercreek Mortgage Servicing Inc. ("Timbercreek") regarding status of listing of the property for sale and review files regarding same; discussion with B. Wong on funds received regarding occupancy of the property and email to Timbercreek in respect of same; discussion with B. Wong on her discussion with Enbridge and matters relating to the property.
3/2/2017	Brenda Wong	Review outstanding information requested from M. Hernandez; review Sterling email and call to discuss; email to M. Hernandez and E. Mancebo regarding role of property managers; follow up with M. Hernandez regarding call to discuss outstanding information requests; call and resend fax to Alectra Utilities Corporation ("Alectra") regarding the hydro account for the Property; follow up email to RBC requesting information on the Company's bank accounts.

Date	Professional	Description
3/2/2017	Donna Nishimura	Deposit rent cheque at the bank.
3/3/2017	Cindy Baeta	Prepare disbursement cheques; post deposit to Ascend.
3/3/2017	Brenda Wong	Review revised Altus proposal; telephone discussion with M. Hernandez regarding insurance, utilities, appraisers and outstanding information and prepare notes regarding same; emails to Altus regarding site visit and information available; email Parcel Register and tax bill to Colliers; send follow-up email to Canfinse and review response; review additional information received from the Company and forward to the appraisers.
3/3/2017	Daniel Weisz	Discussion with B. Wong on information requested from the Company; review B. Wong summary of her discussion with M. Hernandez; discussion with B. Wong on status of insurance; review updated proposal received from Altus and sign; email to Timbercreek regarding status of appraisals.
3/6/2017	Daniel Weisz	Discussion with B. Wong on obtaining listing proposals for the property; discussion with B. Wong regarding status of insurance; discussion with R. Finkel of Blaney McMurtry LLP ("Blaney") regarding status and utilities.
3/6/2017	Brenda Wong	Letter to Canada Revenue Agency ("CRA") to request trust exam, prepare RC59 and letter to CRA to request authorization to discuss business account; email to B. Cohen regarding listing proposals; emails with HUB International Insurance Brokers regarding insurance extension; email to M. Hernandez and E. Mancebo regarding 2380009 mail to be forwarded to the Receiver; email to M. Hernandez/E. Mancebo regarding arrears on Enbridge account; review Company's insurance policy and email to M. Hernandez regarding status of building burglar alarm system; call and email to Enbridge regarding setting up new account for the Receiver; call from M. Hernandez regarding cost of appraisals.
3/7/2017	Brenda Wong	Review status with D. Weisz; review email response from B. Cohen; review email from Colliers regarding timing of delivery of its appraisal; emails and call with Alectra regarding the Property's hydro account; call with B. Cohen and D. Weisz to discuss status; call with Sterling regarding site visits; discussion with R. Mohamed of Canfinse regarding the insurance company's comments on coverage for the receivership, email to B. Cohen regarding the insurance policy's burglar alarm warranty.
3/7/2017	Daniel Weisz	Discussion with B. Wong on various matters; email to B. Cohen to set up call to discuss the status of the receivership; review premises agreement; conference call with B. Cohen and B. Wong to discuss status of tenancy, insurance, listing of property, etc., and notes to file.
3/8/2017	Daniel Weisz	Discussion with B. Wong regarding correspondence required and contacting real estate agents; discussion with P. Jones regarding status of the receivership administration.
3/8/2017	Brenda Wong	Review current breaches of covenants under premises agreement; review email from Enbridge regarding the legal entity billed for gas service at the Property; prepare email to request listing proposals and send to CBRE and Avison Young ("Avison"); email to Timbercreek to confirm monthly rent payments received; prepare confidentiality agreement and email to B. Cohen for comments; review Colliers' market rent analysis.
3/9/2017	Daniel Weisz	Review emails regarding listing of property; review and update summary of activities; discussion with a party regarding status of the first mortgage on the Property; review Torkin Manes' account; review Colliers' analysis

Date	Professional	Description
		regarding market rent for the Property.
3/10/2017	Cindy Baeta	Prepare disbursement cheques.
3/10/2017	Brenda Wong	Email to Cushman & Wakefield ("Cushman") to request listing proposal and review email responses from brokers; review outstanding information requested of the Company and discussion with D. Weisz regarding status; follow up with Sterling regarding certificate of insurance and review certificate provided; emails with M. Hernandez regarding available times for tours for brokers next week; discussion with R. Purdy regarding premises agreement and impact on appraisal and send confidentiality agreement ("CA") to Colliers to sign; email to M. Hernandez regarding outstanding information requests; review email and respond to questions from Cushman; call with Avison and send CA.
3/10/2017	Daniel Weisz	Meet with B. Wong to discuss the status of the listing proposals, appraisals, insurance, outstanding information, etc.; email to P. Jones regarding realtor enquiry re financing availability, discussion with P. Jones regarding same; review and update letters regarding the premises agreement; attend conference call with B. Sykes, J. Clancy and E. Kaczynska of Avison and discussion with B. Wong regarding listing proposal requested; exchange emails with B. Cohen.
3/13/2017	Brenda Wong	Review CA and send information to Avison; review changes to draft letters to BuiltRite and landlord's counsel and send to B. Cohen for review; emails with M. Hernandez regarding available times for tour of the Property; discussion with R. Purdy regarding premises agreement and approach, discussion with D. Weisz regarding approach and email to R. Purdy re approach to be taken; email to Altus regarding booking a tour.
3/13/2017	Daniel Weisz	Discussion with B. Wong on various matters; review emails.
3/14/2017	Brenda Wong	Discussion with B. Cohen regarding draft letter to BuiltRite and make changes to letter; call with D. Weisz and CBRE regarding listing proposal; emails to Altus and brokers to schedule tours; telephone discussion with D. Leathem of Altus; call to CRA to check status of business account.
3/14/2017	Daniel Weisz	Review emails regarding appraisal and tenant enquiry, discussion with B. Wong regarding same; conference call with B. Wong, G. Taylor and S. Steele of CBRE; discussion with B. Wong regarding her discussion with Altus and voicemail for B. Cohen on same.
3/15/2017	Brenda Wong	Emails with M. Hernandez regarding tours booked for Thursday and Friday; emails with Cushman regarding tour of property; call with D. Weisz and B. Cohen regarding Altus' request for names of agents who will be submitting listing proposals and draft response to Altus, and email to brokers to request they not speak to appraisers; prepare outline and draft for Receiver's first report.
3/15/2017	Daniel Weisz	Conference call with B. Cohen and B. Wong on status of the receivership including Altus request regarding appraisal; review draft email to Altus and provide comments to B. Wong; review emails; review draft email to listing brokerages and provide comments to B. Wong.
3/16/2017	Brenda Wong	Follow up emails to Sterling regarding its monthly inspection report, fire alarm monitoring and weekend operations; email to M. Hernandez to inquire regarding name of lawyer acting for BuiltRite when the premises agreement was signed; review Colliers' draft appraisal; respond to email from Sterling

Date	Professional	Description
		regarding insurance; review and emails to Sterling regarding monthly inspection reports; review email responses from M. Hernandez.
3/16/2017	Daniel Weisz	Review property management report provided by Sterling and discussion with B. Wong on same; review draft Colliers appraisal.
3/17/2017	Brenda Wong	Meet with D. Weisz to discuss Colliers draft appraisal; email to M. Hernandez to inquire regarding mail for 2380009 Ontario Limited; email from M. Hernandez regarding BuiltRite counsel; follow up with TD and RBC regarding the status of the Company's accounts.
3/17/2017	Daniel Weisz	Review emails from M. Hernandez; discussion with B. Wong on status of the Company's insurance policy; meet with B. Wong to discuss the Colliers draft appraisal; review email regarding BuiltRite counsel at time of execution of premises agreement; exchange emails with M. Hernandez regarding his request for a call; discussion with M. Hernandez.
3/20/2017	Brenda Wong	Discussion with R. Purdy regarding questions and revisions on draft appraisal; make edits to draft letters to BuiltRite and M. Lathern LLP.
3/20/2017	Daniel Weisz	Discussion with B. Wong on status of appraisals; discussion with R. Finkel regarding the status of the receivership and email to P. Jones regarding meeting requested.
3/21/2017	Brenda Wong	Call from CBRE realtor interested in property; review Colliers revised appraisal and email comments to Colliers; continue working on draft report; call from Avison regarding listing proposal and tenant; scheduling brokers to attend at Receiver's office to present proposals.
3/21/2017	Daniel Weisz	Discussion with B. Wong regarding setting up meetings with realtors.
3/22/2017	Brenda Wong	Review revised Colliers appraisal; review Enbridge bill and send to M. Hernandez for payment; complete LBA registration form for online access to Enbridge account; send follow-up email to M. Hernandez regarding outstanding information request.
3/23/2017	Cindy Baeta	Prepare disbursement cheques.
3/23/2017	Brenda Wong	Call from G. Taylor of CBRE regarding listing proposal and different valuations; review Colliers revised appraisal; review CBRE listing proposal and prepare summary of listing proposals.
3/24/2017	Daniel Weisz	Preliminary review of listing proposals received from CBRE, Avison and Cushman; email to B. Cohen regarding request for a call; discussion with B. Cohen on status of the receivership; exchange emails with B. Cohen and R. Finkel to set up a conference call.
3/26/2017	Daniel Weisz	Email to B. Cohen regarding listing proposals received.
3/27/2017	Brenda Wong	Review listing proposals and prepare summary.
3/27/2017	Daniel Weisz	Discussion with B. Cohen regarding meetings with listing agents tomorrow, the premises agreement and proposed courses of action relating thereto; review listing proposals ahead of tomorrow's meetings to discuss the proposals; review summary of proposals.
3/28/2017	Brenda Wong	Attend at presentations of listing proposals by brokers; call and fax to CRA regarding RC59 business consent to be processed; follow up email to Sterling regarding fire alarm monitoring; email to M. Hernandez regarding payment of Enbridge bill.

Date	Professional	Description
3/28/2017	Daniel Weisz	Meet with P. Jones prior to meetings with potential listing agents; attend presentations from Avison, CBRE and Cushman regarding proposals to market and sell the property; discussion with B. Wong and P. Jones after the presentations; meet with B. Wong regarding same.
3/29/2017	Brenda Wong	Call with B. Sykes of Avison; meeting with B. Cohen, R. Finkel and D. Weisz to discuss premises agreement; email to M. Hernandez to follow up on outstanding information requests; emails from BMO and fax letter to BMO to request copies of bank statements; calls from and fax letter to RBC to request bank statements.
3/29/2017	Daniel Weisz	Prepare for meeting with B. Cohen and R. Finkel; attend meeting at Torkin Manes with B. Cohen and R. Finkel regarding listing proposals, agreement between 2380009 Ontario Limited and BuiltRite.
3/30/2017	Cindy Baeta	Prepare disbursement cheque.
3/30/2017	Brenda Wong	Review draft appraisal from Altus and email and telephone discussion with Altus regarding effective date of appraisal.
3/31/2017	Brenda Wong	Review draft Altus net market rate appraisal; make updates to summary of listing proposals/appraisals.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	20.00	\$ 495	\$ 9,900.00
Brenda Wong, CIRP, LIT	Senior Manager	25.50	\$ 375	9,562.50
Donna Nishimura/Cindy Baeta	Estate Administrator	1.00	\$ 110	110.00
Total hours and professional fees		<u>46.50</u>		\$ 19,572.50
HST @ 13%				2,544.43
Total payable				\$ 22,116.93

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

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 The Collins Barrow trademarks are used under license.

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

To Collins Barrow Toronto Limited
Court-appointed Receiver of 2380009 Ontario Limited
11 King Street West, Suite 700
Toronto, ON M5H 4C7

T. 416.480.0160
F. 416.480.2646

toronto.collinsbarrow.com

Date May 8, 2017

Client File 301618-36118

Invoice 3

No. C000462

GST/HST: 80784 1440 RT 0001

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver of 2380009 Ontario Limited (the "**Company**") for the period April 1, 2017 to April 30, 2017.

Date	Professional	Description
4/3/2017	Brenda Wong	Exchange emails with M. Hernandez regarding payment of April amount and check online banking to confirm receipt.
4/4/2017	Brenda Wong	Review summary of activities.
4/5/2017	Brenda Wong	Return call from bailiff's office; review emails regarding status of debtor financing; discussion with D. Weisz regarding status; email to Altus Group Limited ("Altus") regarding stage 2 of the appraisal.
4/5/2017	Daniel Weisz	Discussion with M. Hernandez on possible refinancing, exchange emails with B. Cohen of Torkin Manes LLP ("Torkin Manes") regarding same; discussion with B. Wong on status of Altus appraisal and other matters relating to the receivership administration; discussion with R. Finkel of Blaney McMurtry LLP ("Blaney") on status; review information provided by R. Finkel.
4/6/2017	Cindy Baeta	Post deposit to Ascend.
4/6/2017	Brenda Wong	Call from BMO regarding 2014-2015 bank statements; review correspondence from B. Cohen to M. Lathem of Lathem Law Offices regarding lease.
4/7/2017	Brenda Wong	Call and email to RBC bankruptcy department to follow up on bank statements requested; prepare draft letter to debtor regarding outstanding information request; review 2014-2016 bank statements received from RBC and BMO statements, and email to D. Weisz regarding same.
4/7/2017	Daniel Weisz	Review and update summary of activities; discussion with B. Wong on status of information requests of the company; review letter to the company and provide comments to B. Wong; exchange emails with B. Cohen and R. Finkel regarding status of the receivership; review bank statements received and email to B. Wong regarding same.
4/10/2017	Daniel Weisz	Exchange emails with R. Finkel on status; review B. Wong email regarding review of bank statements; telephone discussion with B. Cohen regarding court application to be made.
4/10/2017	Brenda Wong	Review email correspondence regarding debtor financing; send follow up

Date	Professional	Description
		email to Canfinse Group Inc. ("Canfinse").
4/11/2017	Brenda Wong	Review changes to Confidentiality Agreement ("CA") by Altus and discuss with D. Weisz; emails with Altus regarding changes to CA; call to Canada Revenue Agency ("CRA") to request set up of HST account for the Receiver; email to M. Hernandez to notify of Enbridge bill to be paid by BuiltRite Technologies Inc. ("BuiltRite").
4/11/2017	Daniel Weisz	Review Altus' proposed changes to the CA and discussion with B. Wong on same; emails with B. Cohen regarding registration of Court Order on title to property; review statement of account rendered by Torkin Manes; discussion with B. Wong regarding Enbridge_account.
4/12/2017	Cindy Baeta	Prepare disbursement cheque.
4/12/2017	Brenda Wong	Review Altus signed CA and send BuiltRite lease to Altus.
4/13/2017	Daniel Weisz	Discussion with B. Cohen regarding status of application to court; discussion with R. Finkel on same.
4/17/2017	Daniel Weisz	Exchange emails with B. Cohen regarding minute books, review minute book contents; review Sterling Karamar Property Management ("Sterling") management report.
4/18/2017	Daniel Weisz	Review B. Cohen letter to M. Lathem; prepare for and attend conference call with B. Cohen, J. Simpson and B. Wong regarding status of receivership and application to court.
4/18/2017	Brenda Wong	Email to Sterling regarding clean-up of loading dock area; call with Torkin Manes regarding lease; work on Receiver's first report to Court.
4/19/2017	Brenda Wong	Obtain latest property tax information available online and send to Altus; continue drafting first report.
4/19/2017	Daniel Weisz	Review information provided by R. Finkel; email to J. Simpson of Torkin Manes; discussion with B. Wong on Receiver's report to the court.
4/20/2017	Brenda Wong	Continue writing draft report.
4/20/2017	Daniel Weisz	Review and reply to email from Cushman Wakefield; discussion with J. Simpson regarding report to Court including conference call with R. Finkel and J. Simpson.
4/21/2017	Cindy Baeta	Prepare disbursement cheque.
4/21/2017	Brenda Wong	Continue writing draft report.
4/25/2017	Daniel Weisz	Review email from B. Cohen regarding information received from M. Lathem; work on report to court.
4/25/2017	Brenda Wong	Send follow-up emails to M. Hernandez regarding the Receiver's outstanding information requests and to Canfinse to ask for a status update on the insurance policy.
4/26/2017	Daniel Weisz	Review email from M. Lathem and correspondence with Torkin Manes regarding same; discussion with B. Wong on accounting records; work on report to court.
4/26/2017	Brenda Wong	Email to M. Hernandez regarding the status of the Company's corporate tax returns and HST filings and to request copies of the Company's accounting records; review listing proposals regarding comments on lease; review changes to draft report.

Date	Professional	Description
4/27/2017	Brenda Wong	Review and make changes to draft report and discuss changes with D. Weisz; prepare statement of receipts and disbursements and schedules for the report; email to Sterling to request invoices for monthly management fee; return call from party interested in purchasing the first mortgage and email to Timbercreek Mortgage Servicing Inc. and call from R. Finkel regarding same.
4/27/2017	Daniel Weisz	Discussion with B. Wong on enquiry from party interested in purchasing the first mortgage including discussion with R. Finkel on same; review changes to first report and update; meet with B. Wong regarding report and forward draft to Torkin Manes.
4/28/2017	Daniel Weisz	Prepare for and attend at Torkin Manes to meet with B. Cohen, J. Simpson and B. Wong to discuss draft report of the Receiver and Notice of Motion; discussion with R. Finkel on status.
4/28/2017	Brenda Wong	Prepare fee affidavit; review Sterling invoices and email to Sterling to request correction in its accounts; attend meeting with D. Weisz and Torkin Manes to discuss the Receiver's draft report; call to CRA to obtain details of HST returns filed; review Altus appraisal.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	17.20	\$ 495	\$ 8,514.00
Brenda Wong, CIRP, LIT	Senior Manager	11.50	\$ 375	4,312.50
Cindy Baeta	Estate Administrator	0.30	\$ 110	33.00
Total hours and professional fees		29.00		\$ 12,859.50
Disbursements				
PPSA			\$ 20.00	
Total disbursements				20.00
Total professional fees and disbursements				\$ 12,879.50
HST @ 13%				1,674.34
Total payable				\$ 14,553.84

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

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**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN BEFORE ME
THIS 11th DAY OF May, 2017**



A Commissioner, etc.

**In the Matter of the Receivership of
2380009 Ontario Limited
Summary of Receiver's Fees
For the Period November 8, 2016 to April 30, 2017**

Invoice Date	Period	Hours	Fees	Disburse - ments	Subtotal	HST	Total	Average Hourly Rate
9-Mar-17	November 8, 2016 to February 28, 2017	47.30	\$ 20,869.00	\$ 11.27	\$ 20,880.27	\$ 2,714.44	\$ 23,594.71	\$ 441.21
7-Apr-17	March 1 to 31, 2017	46.50	19,572.50	-	19,572.50	2,544.43	22,116.93	\$ 420.91
8-May-17	April 1 to 30, 2017	29.00	12,859.50	20.00	12,879.50	1,674.34	14,553.84	\$ 443.43
Total		122.80	\$ 53,301.00	\$ 31.27	\$ 53,332.27	\$ 6,933.20	\$ 60,265.48	\$ 434.05

2292912 ONTARIO INC.
Applicant

-and- 2380009 ONTARIO LIMITED
Respondent

Court File No. CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF DANIEL WEISZ

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Jeffrey J. Simpson (39663M)
jsimpson@torkinmanes.com
Tel: 416-777-5413
Fax: 1-888-587-9143

Lawyers for the Receiver, Collins Barrow Toronto Limited

RCP-E 4C (May 1, 2016)

TAB S

Court File No. CV-16-011354-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

2292912 ONTARIO INC.

Applicant

-and-

2380009 ONTARIO LIMITED

Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3
as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

AFFIDAVIT OF BARRY A. COHEN

I, Barry A. Cohen, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

1. I am a Lawyer with the law firm of TORKIN MANES LLP (“**Torkin Manes**”), which has been engaged as independent counsel to Collins Barrow Toronto Limited, (“**Collins Barrow**”), in its capacity as Court-Appointed Receiver, over the assets and undertakings of 2380009 Ontario Limited in this proceeding and as such have knowledge of the matters to which I hereinafter depose either through my own knowledge or by informing myself with respect thereto in which case I have indicated the source of my information and belief.

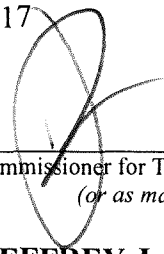
2. Attached hereto as **Exhibit "A"** are true copies of the accounts issued by Torkin Manes to Collins Barrow, in its capacity as Court-Appointed Receiver, which includes detailed descriptions of the work performed for the period from October 20, 2016 to and including April 30, 2017. The total fees charged by Torkin Manes to Collins Barrow during this period were \$30,017.00 plus

HST of \$3,902.21, plus disbursements of \$1,450.77 plus HST of \$146.10, for a total amount of \$35,516.08.

3. I confirm that the attached accounts accurately reflect the services provided by Torkin Manes in this matter and the fees and disbursements claimed by it during the period described above.


4. Additionally, attached hereto as **Exhibit "B"** is a summary of additional information with respect to the aforesaid accounts indicating all members of Torkin Manes who worked on this matter during the period described above, their year of call to the bar, total time charges and hourly rates, and I hereby confirm that this list represents an accurate accounts of such information.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on May 11, 2017



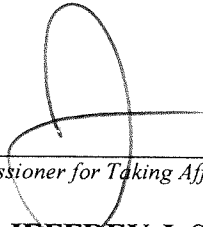
Commissioner for Taking Affidavits
(or as may be)

JEFFREY J. SIMPSON

}


BARRY A. COHEN

This is Exhibit "A" referred to in the Affidavit of Barry A. Cohen
sworn May 11, 2017

A handwritten signature in black ink, consisting of a large, stylized loop that crosses itself, followed by a horizontal line extending to the right.

Commissioner for Taking Affidavits (or as may be)

JEFEREY J. SIMPSON

Torkin Manes LLP
 Barristers & Solicitors
 151 Yonge Street, Suite 1500
 Toronto, ON M5C 2W7

Tel: 416 863 1188
 Fax: 416 863 0305
 torkinmanes.com

Torkin | Manes
 Barristers & Solicitors

October 31, 2016

Attention: Daniel Weisz
 Collins Barrow Toronto Limited
 11 King St. W., Suite 700
 Box 27
 Toronto, ON M5H 4C7

Invoice No.: 280982

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

RE: Receivership
 File No.: 34487.0002

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Oct 20 16	KB	Conference with B. Cohen; Review and revise property management agreement
Oct 20 16	BAC	Receive and do initial review of material; telephone discussion with Daniel Weisz; receive and review draft management agreement; telephone discussion with counsel for Applicant; receive and consider draft receivership order; telephone discussion with Danny Weisz
Oct 21 16	BAC	Correspondence from Danny Weisz; review relevant sections of management agreement; correspondence to Danny Weisz

OUR FEE:	\$1,815.00
HST:	\$235.95
SUB-TOTAL:	<u>\$2,050.95</u>

Page 2
October 31, 2016
Our File No.: 34487.0002
Invoice # 280982

Torkin | Manes
Barristers & Solicitors

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Reproduction of documents 0.90
Laser copies 50.00

50.90

Total Disbursements \$50.90
HST on Disbursements \$6.62

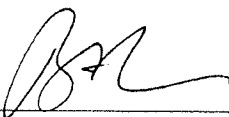
TOTAL DISBURSEMENTS AND HST:

\$57.52

TOTAL FEE, DISBURSEMENTS & HST \$2,108.47

BALANCE DUE AND OWING BY YOU \$2,108.47

TORKIN MANES LLP

Per: 

Barry A. Cohen

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.
Interest will be charged pursuant to the Solicitors Act at the
rate of 1.0 percent per year.

Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Tel: 416 863 1188
Fax: 416 863 0305
torkinmanes.com

Torkin | Manes
Barristers & Solicitors

February 28, 2017

Attention: Daniel Weisz
Collins Barrow Toronto Limited
11 King St. W., Suite 700
Box 27
Toronto, ON M5H 4C7

Invoice No.: 285178

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

RE: Receivership
File No.: 34487.0002

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Feb 07 17	SDT	Received and reviewed materials re receivership of 2380009 Ontario Ltd.; discussions with Barry Cohen re same
Feb 08 17	SDT	Review of background documentation re receivership and property; telephone discussion with Barry Cohen; telephone call with Danny Weisz re property management agreement; review and comments re same; conference call with Danny Weisz and Barry Cohen; obtain and review parcel register for property; correspondence with Danny Weisz re same
Feb 10 17	BAC	Receive and review lease; review information on Builtrite; consider failure to remit taxes by landlord for portion in excess of tenant fixed contribution; correspondence from/to Danny Weisz; conference call with Danny Weisz and Stewart Thom; telephone discussion with Danny Weisz
Feb 10 17	SDT	Telephone call with Danny Weisz and Barry Cohen
Feb 10 17	SDT	Review of lease document; telephone call with Barry Cohen and Danny Weisz re same

Page 2
 February 28, 2017
 Our File No.: 34487.0002
 Invoice # 285178

Torkin|Manes
 Barristers & Solicitors

Feb 14 17	BAC	Receipt of memorandum from Receiver and consider same
Feb 14 17	BAC	Correspondence from/to Receiver and review lease liability issue; correspondence to Receiver; receive and review Colliers proposal; correspondence to Receiver
Feb 14 17	SDT	Correspondence with Barry Cohen re issues raised
Feb 16 17	BAC	Telephone discussion with Jeff Van Bagel; memo to file; correspondence to Receiver
Feb 16 17	BAC	Receipt of correspondence from Receiver, consider same; review revised draft agreement and provide comments to Receiver
Feb 17 17	BAC	Telephone message to counsel; correspondence to counsel; correspondence to Receiver; telephone conversation with counsel; correspondence to Receiver; correspondence from Receiver; correspondence to counsel
Feb 22 17	BAC	Correspondence from counsel regarding claim on second mortgage funds; receive and review attached pleadings and consider same; review initial receivership order; draft response to counsel; correspondence to Receiver
Feb 23 17	BAC	Correspondence from Receiver and consider same; telephone discussion with Receiver; instructions to insolvency clerk
Feb 24 17	JMA	Review parcel abstract in preparation for registration of receivership order; exchange of emails with Shalan and Barry
Feb 24 17	BAC	Correspondence from Receiver; correspondence from counsel, consider issue; correspondence to Receiver; telephone discussion with Receiver
Feb 24 17	SJ	Conducting corporate and security searches against 2380009 Ontario Limited; review of security documents and search results; preparing draft opinion letter regarding the enforceability of the security against 2380009 Ontario Limited held by 2292912 Ontario Inc

Page 3
 February 28, 2017
 Our File No.: 34487.0002
 Invoice # 285178

Torkin | Manes
 Barristers & Solicitors

Feb 27 17	AE	To review of e-mail correspondence re registration of receivership order; review of order; review of application to register order
Feb 27 17	JMA	Receipt and review of receivership order; preparation application to register on title
Feb 28 17	BAC	Correspondence from Receiver, Eco Energy; correspondence to Receiver
Feb 28 17	JMA	Conducting subsearch and review; attending to registration of order on title and reporting to Barry Cohen; obtaining copy of instrument on title

OUR FEE:	\$7,170.00
HST:	\$932.10
SUB-TOTAL:	<u>\$8,102.10</u>

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Agents fees	182.10
Document Scanning	9.90
Tax certificate	55.00
Title search disbursements	28.45
Laser copies	119.40
Colour Copies	2.00
	<u>396.85</u>

NON-TAXABLE DISBURSEMENTS:

Title search disbursements	15.80
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Page 4
 February 28, 2017
 Our File No.: 34487.0002
 Invoice # 285178

Torkin | Manes
 Barristers & Solicitors

Bankruptcy search	195.35	
	<u>211.15</u>	
Total Disbursements	\$608.00	
HST on Disbursements	\$51.59	
TOTAL DISBURSEMENTS AND HST:		<u>\$659.59</u>
TOTAL FEE, DISBURSEMENTS & HST		\$8,761.69
BALANCE DUE AND OWING BY YOU		\$8,761.69

TORKIN MANES LLP

Per:

Barry A. Cohen

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.
 Interest will be charged pursuant to the Solicitors Act at the
 rate of 1.0 percent per year.

Torkin Manes LLP
 Barristers & Solicitors
 151 Yonge Street, Suite 1500
 Toronto, ON M5C 2W7

Tel: 416 863 1188
 Fax: 416 863 0305
 torkinmanes.com

Torkin | Manes
 Barristers & Solicitors

April 10, 2017

Attention: Daniel Weisz
 Collins Barrow Toronto Limited
 11 King St. W., Suite 700
 Box 27
 Toronto, ON M5H 4C7

Invoice No.: 286604

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

Re: Receivership of 2380009 Ontario Limited
 File No. 34487.0002

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Mar 01 17	BAC	Receipt of correspondence from Receiver; receipt of appraisal and phase one report, consider issue; correspondence to Receiver
Mar 02 17	SDT	Instructions to student re research to be conducted on priority of Notice of Security Interest
Mar 03 17	LC	Received instructions from Stewart Thom regarding research assignment
Mar 04 17	LC	Researched to determine whether rooftop air conditioning units are "fixtures;" researched to determine whether a prior registered and fully advanced first mortgage has priority over a subsequently registered notice of security interest registered on title as a claim for fixtures; drafted memorandum on same
Mar 06 17	BAC	Correspondence from Receiver and consider issue; correspondence to Receiver

Page 2
 April 10, 2017
 Our File No.: 34487.0002
 Invoice # 286604

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Mar 06 17	SDT	Meeting with student re research conducted on HVAC fixture and notice of security interest; review of memorandum and law re same; correspondence with Barry Cohen re same
Mar 07 17	BAC	Correspondence from Receiver; telephone discussion with Receiver to review outstanding matters and course of action
Mar 07 17	SDT	Review of revised research memorandum and law; discussions with student re same
Mar 13 17	BAC	Receipt of draft notice of default correspondence; review relevant lease provisions; provide comments to Receiver
Mar 15 17	BAC	Correspondence from Receiver and telephone discussion with Receiver
Mar 16 17	AE	To conference with Barry Cohen re issues relating to registration of receivership order; revising application to register order
Mar 16 17	JMA	Telephone discussion with Lynn at the Land Registry Office; amending application and resubmitting; email to Barry Cohen
Mar 16 17	BAC	Dialogue with Aaron English regarding registration of court order on title; receipt of registered order; correspondence to Receiver
Mar 27 17	BAC	Telephone discussion with Receiver; correspondence to/from Receiver and consider issue
Mar 29 17	BAC	Review material for meeting with Receiver; attend meeting with Receiver and Reeva Frankel for background information; attend meeting with Receiver

OUR FEE:	\$4,507.00
HST:	\$585.91
SUB-TOTAL:	<hr/> \$5,092.91

Page 3
 April 10, 2017
 Our File No.: 34487.0002
 Invoice # 286604

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DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Deliveries	27.00
Long distance telephone charges	1.44
Binding service	1.44
Document Scanning	5.40
Title search disbursements	27.25
Laser copies	112.50
Processing Fee - Registration	10.55
	<hr/>
	185.58

NON-TAXABLE DISBURSEMENTS:

Register	63.35
Title search disbursements	11.60
	<hr/>
	74.95

Total Disbursements	\$260.53
HST on Disbursements	\$24.13

TOTAL DISBURSEMENTS AND HST:	<hr/>	\$284.66
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TOTAL FEE, DISBURSEMENTS & HST		<hr/>	\$5,377.57
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Page 4
April 10, 2017
Our File No.: 34487.0002
Invoice # 286604

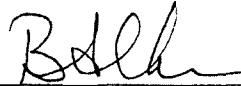
Torkin | Manes
Barristers & Solicitors

BALANCE DUE AND OWING BY YOU

\$5,377.57

TORKIN MANES LLP

Per: _____



Barry A. Cohen

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.
Interest will be charged pursuant to the Solicitors Act at the
rate of 1.0 percent per year.

Torkin Manes LLP
 Barristers & Solicitors
 151 Yonge Street, Suite 1500
 Toronto, ON M5C 2W7

Tel: 416 863 1188
 Fax: 416 863 0305
 torkinmanes.com

Torkin | Manes
 Barristers & Solicitors

April 30, 2017

Attention: Daniel Weisz
 Collins Barrow Toronto Limited
 11 King St. W., Suite 700
 Box 27
 Toronto, ON M5H 4C7

Invoice No.: 287348

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

RE: Receivership of 2380009 Ontario Inc.
 File No.: 34487.0002

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Apr 05 17	BAC	Correspondence from Receiver, consider issue; correspondence to Receiver
Apr 05 17	BAC	Receipt and review executive summary of August 2013 for Timbercreek and consider comments of Reeva Finkel
Apr 06 17	BAC	Review listing proposals; review Application for Receiver material, consider issues; correspondence to counsel for landlord on lease for premises; correspondence to Receiver
Apr 10 17	BAC	Telephone discussion with Receiver, order and review corporate searches of borrower and tenant; review in depth listing proposals regarding lease issues, market rent etc.
Apr 10 17	BAC	Correspondence to Applicants counsel
Apr 12 17	BAC	File status review; correspondence to Mark Lathem, counsel for Respondent with respect to the lease of premises; correspondence to Receiver

Page 2
 April 30, 2017
 Our File No.: 34487.0002
 Invoice # 287348

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Apr 12 17	BAC	Review various file documents to determine status and "next steps"; consider lease issue and options available to Receiver regarding lease; listing proposals order sub-search of title
Apr 12 17	JJS	Review of receivership application brought by first mortgagee; review of title search; review of tax search; review of PPSA search; review of corporate profiles; review of receivership order all with a view to dealing with potential proceeding dealing with lease of subject property
Apr 12 17	SJ	Obtaining an updated parcel register for 2370 South Sheridan Way
Apr 17 17	BAC	Correspondence from Receiver; receive and review material sent; correspondence to Receiver; telephone discussion with Receiver; correspondence from/to Jeff Van Bakel
Apr 17 17	JJS	Initial file review in prep for potential motion to set aside unfavourable lease
Apr 18 17	JJS	Conference call with Mr. Cohen and Ms. Frankel
Apr 18 17	JJS	Conference call with Messrs. Weisz and Cohen
Apr 18 17	JJS	Preparation for possible application to court to set aside lease of subject premises
Apr 18 17	BAC	Reviewed relevant material and consider for motion; telephone discussion with counsel for Applicant regarding background information the Receiver required
Apr 18 17	BAC	Correspondence from Mark Lathem counsel to 2380009 Ontario Limited; correspondence to Mark Lathem
Apr 18 17	BAC	Review material; telephone discussion with Receiver, status report
Apr 18 17	BAC	Correspondence from Mark Lathem, consider same, dialogue with Receiver; correspondence to Mark Lathem
Apr 18 17	SJ	Requesting a tax certificate for 2370 South Sheridan Way

Page 3
 April 30, 2017
 Our File No.: 34487.0002
 Invoice # 287348

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Apr 18 17	LC	Met with Jeff Simpson to discuss research on ability of receiver to disclaim/terminate unfavourable lease
Apr 20 17	LC	Researched to find cases where receiver sought to disclaim/terminate lease
Apr 20 17	JJS	Telephone discussion with Applicant's counsel
Apr 20 17	JJS	Telephone discussion with Receiver regarding status of Receiver's report, and relief to be requested in proposed receiver's motion
Apr 21 17	LC	Researched to find cases where receiver sought to disclaim/terminate lease; met with Jeffrey Simpson to discuss same
Apr 21 17	JJS	Receipt and review of legal research regarding ability of a receiver to disclaim a real property lease; receipt and initial, non-exhaustive review of material sent by Applicant's counsel
Apr 23 17	JJS	Review of: receivership order; lease dated Jan 15/14; correspondence from Mr. Cohen to Mr. Lathem; affidavit of Mr. Jones filed in support of Receivership Application; Avison Young listing proposal; parcel page for property; PPSA search; corporation profile reports for drafting of Notice of Motion
Apr 23 17	JJS	Drafting of Notice of Motion re: approval order for listing property with vacant possession
Apr 24 17	JJS	Continued drafting of Notice of Motion and telephone discussion with Mr. Wiesz regarding same
Apr 25 17	JJS	Receipt of e-mail from Mr. Cohen regarding status and addressing same; continuation of preparation of Notice of Motion and editing in connection therewith
Apr 25 17	BAC	Correspondence from counsel regarding lease issue; consider issues arising from response; correspondence to Receiver
Apr 26 17	JJS	Further editing of Notice of Motion; receipt of e-mail from Receiver and consider same; exchange of emails with Receiver

Page 4
 April 30, 2017
 Our File No.: 34487.0002
 Invoice # 287348

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Apr 27 17	JJS	Review of draft receiver's report
Apr 28 17	BAC	Receive and consider Receiver's draft report; receipt and review draft motion material and provide comments
Apr 28 17	BAC	Attend meeting with Receiver and Jeff Simpson
Apr 28 17	BAC	Correspondence from Receiver and consider same
Apr 28 17	JJS	Meeting with Mr. Weisz, Mr. Cohen and Ms. Wong to discuss contents of motion for leave to terminate lease
Apr 30 17	BAC	In depth review of draft report of Receiver and providing various comments and suggestions for amendments thereto; correspondence to Receiver enclosing comments and suggested amendments

OUR FEE:	\$16,525.00
HST:	\$2,148.25
SUB-TOTAL:	<u>\$18,673.25</u>

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Reproduction of documents	43.20
Deliveries	29.70
Telefax	9.90
Agents fees	24.00
Document Scanning	8.40
Tax certificate	55.00
Title search disbursements	29.50
Laser copies	124.80
Computer Legal Research	161.99
Colour Copies	4.00
	<u>490.49</u>

NON-TAXABLE DISBURSEMENTS:

Title search disbursements	16.85
Corporate search	24.00
	<u>40.85</u>

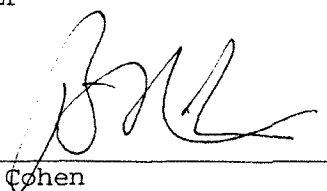
Page 5
April 30, 2017
Our File No.: 34487.0002
Invoice # 287348

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Barristers & Solicitors

	40.85	
Total Disbursements	\$531.34	
HST on Disbursements	\$63.76	
TOTAL DISBURSEMENTS AND HST:		\$595.10
<hr/>		
TOTAL FEE, DISBURSEMENTS & HST		\$19,268.35
BALANCE DUE AND OWING BY YOU		\$19,268.35

TORKIN MANES LLP

Per:



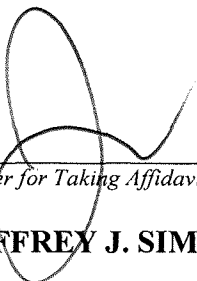
Barry A. Cohen

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.
Interest will be charged pursuant to the Solicitors Act at the
rate of 1.0 percent per year.

This is Exhibit "B" referred to in the Affidavit of Barry A. Cohen
sworn May 11, 2017

A handwritten signature in black ink, consisting of a large, stylized loop followed by a smaller loop and a short horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

JEFFREY J. SIMPSON

Summary of Additional Lawyer Information

<u>Lawyer</u>	<u>Year of Call</u>	<u>Hours Billed</u>	<u>Hourly Rate</u>	<u>Total Billed</u>
Barry Cohen	1967	1.10	\$650.00	\$715.00
		24.30	\$675.00	\$16,402.50
Ken Beallor	1991	2.00	\$550.00	\$1,100.00
Jeffrey Simpson	1997	18.30	\$327.87	\$6,000.02
Aaron English	2004	0.80	\$450.00	\$360.00
Stewart Thom	2008	6.70	\$400.00	\$2,680.00
Shalan Jankowski	Clerk	2.90	\$275.00	\$797.50
Jean Atkins	Clerk	1.60	\$250.00	\$400.00
Lauren Crosby	Student	2.10	\$220.00	\$462.00
		7.00	\$157.14	\$1,099.98
TOTAL				\$30,017.00

2292912 ONTARIO INC.
Applicant

-and- 2380009 ONTARIO LIMITED
Respondent

Court File No. CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF BARRY A. COHEN

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Jeffrey J. Simpson (39663M)
jsimpson@torkinmanes.com
Tel: 416-777-5413
Fax: 1-888-587-9143

Lawyers for the Receiver, Collins Barrow Toronto Limited

RCP-E 4C (May 1, 2016)

2292912 ONTARIO INC.
Applicant

-and- 2380009 ONTARIO LIMITED
Respondent

Court File No. CV-16-011354-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**MOTION RECORD
(Returnable May 29, 2017)**

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Jeffrey J. Simpson (39663M)
jsimpson@torkinmanes.com
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Lawyers for the Receiver, Collins Barrow Toronto Limited

RCP-E 4C (May 1, 2016)