

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

AREACOR INC.

Respondent

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

MOTION RECORD OF RSM CANADA LIMITED
(Returnable October 3, 2022 at 10:00am via “ZOOM”)

September 8, 2022

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(as at September 7)

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TAB 1

Court File No. CV-22-00674747-00CL

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SUPERIOR COURT OF JUSTICE
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NOTICE OF MOTION

RSM CANADA LIMITED, in its capacity as Court-appointed receiver (the “**Receiver**”), without security, of all of the undertakings, properties and assets of Areacor Inc. (the “**Debtor**”) will make a motion to a Judge presiding over the Commercial List on October 3, 2022 at 10:00 a.m., or as soon after that time as the motion can be heard, which motion shall be heard virtually by judicial videoconference and may be attended online by accessing the videoconference link on the Court’s Caselines portal. A direct link will be circulated by email to those members of the Service List with known email addresses.

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

THE MOTION IS FOR:

1. An Order, substantially in the form attached hereto as Schedule “A”, *inter alia*:
 - (a) approving the agreement of purchase and sale dated August 26, 2022 (the “**APS**”) made between the Receiver, as vendor, and Marbelle Estates Inc. (the “**Purchaser**”), as purchaser, and authorizing the Receiver to execute the APS and

- complete the transaction contemplated thereby (the “**Transaction**”), subject to such amendments to the APS as the Receiver may deem necessary;
- (b) vesting in the Purchaser, on closing of the Transaction, the Debtor’s right, title and interest in and to the Purchased Assets (as defined in the APS); and
 - (c) effective on the closing of the Transaction, terminating the Existing Purchase Agreements (as defined below);
2. an Order, substantially in the form attached hereto as Schedule “B”, *inter alia*:
- (a) approving the first report of the Receiver dated September 2, 2022 (the “**First Report**”), the second report of the Receiver dated September 8, 2022 (the “**Second Report**”, and, together with the First Report, the “**Reports**”), and the activities of the Receiver described therein;
 - (b) approving the fees and expenses of the Receiver and its legal counsel, including the estimated fees and disbursements through the completion of the Receiver’s administration;
 - (c) sealing the confidential appendices to the Second Report pending completion of the Transaction or further order of the Court; and
 - (d) upon completion of those remaining activities detailed in the Second Report, discharging RSM Canada Limited (“**RSM**”) as Receiver of the undertakings, properties and assets of the Debtor; and
3. such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

BACKGROUND

1. On January 13, 2022, RSM was appointed by order of the court (“**Appointment Order**”) as Receiver of the property, assets and undertakings of the Debtor (the “**Property**”);

2. the Appointment Order authorizes the Receiver to, *inter alia*:
 - (a) 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) receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes and the placement of such insurance coverage as may be necessary or desirable;
 - (c) market the Property, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; and
 - (d) sell, convey, transfer, lease or assign the Property with the approval of this Court;
3. the Debtor appears to be single purpose corporation and holds legal title to the real property municipally known as 11-15 Cannon Street West, Hamilton, Ontario (the “**Real Property**”) for the purpose of developing a six-storey condominium project consisting of 40 residential units and commercial space on the ground floor, marketed as the ‘Jamesville Lofts’ (the “**Project**”);
4. as at the date of the Receiver’s appointment, only a five-storey skeleton structure, consisting of steel framing and pre-cast concrete slabs, had been erected at the Real Property;
5. the Receiver understands that construction activity on site at the Project had ceased six or seven months prior to the Appointment Order, in or around June 2021;
6. as at the date of the Receiver’s appointment, the Debtor was party to 29 agreements of purchase and sale of residential condominium units at the Project (the “**Existing Purchase Agreements**”);
7. MarshallZehr Group Inc. (“**MarshallZehr**”), provided construction financing to Areacor, which was secured by, among other things, a first mortgage on the Real Property in the principal amount of \$13.5 million;

8. owing to the Debtor's default on its obligations to MarshallZehr, MarshallZehr initiated this proceeding and obtained the Appointment Order, which was not opposed by the Debtor or any other stakeholder that had notice of the application;

RECEIVER'S ACTIVITIES

General

9. The Receiver's activities are detailed in the Reports, but the Receiver's general activities are summarized as follows:
 - (a) taking possession and securing the Real Property;
 - (b) investigating the status of the Debtor's insurance, which was voided by the insurer, and securing and extending new insurance for the Real Property through October 21, 2022;
 - (c) securing the transfer of the Debtor's minimal cash accounts;
 - (d) liaising with the principal of the Debtor, Mr. Gilyana, to secure the Debtor's existing corporate records, materials agreements and other documentation;
 - (e) reviewing all materials in respect of the Project, with counsel, including the Existing Purchase Agreements and construction lien claims (as discussed below);
 - (f) attending to its statutory obligations as Receiver under the *Bankruptcy and Insolvency Act*, including delivering of notice to all creditors as required by Section 245 thereof;
 - (g) liaising with the purchasers of residential condominium units under the Existing Purchase Agreements to notify them of the proceedings and the possible outcomes;
 - (h) applying to Court for an increase in its ability to borrow to fund necessary costs for maintenance and safeguarding of the Real Property and completion of its duties under the Appointment Order; and
 - (i) implementing the Sales Process outlined below;

Real Property Safety and Structural Issues

10. In addition to the general and other activities of the Receiver outlined herein, the Receiver was required to address specific safety and structural issues related to the Real Property, including:
- (a) attending to a Hazardous Investigation Defect Notice for the Real Property issued by the Electrical Safety Authority that resulted in the suspension of electrical services, requiring the Receiver to retain an electrical contractor to bring the Project into compliance and restore electricity;
 - (b) continuing to negotiate a lease with the City of Hamilton (the “**City**”) – after the City advised it wanted the space vacated – for an adjacent parking lot that is required as a staging area for the Project; and
 - (c) attending to an Order to Comply issued by the City to the Debtor in December 2021 highlighting various structural issues and safety concerns, which Order to Comply suspended all access to the Project, requiring the Receiver to engage contractors to address immediate concerns and experts to undertake further assessments of the structure and Project;

SALES PROCESS

11. As detailed in the Second Report, the Receiver commenced marketing the assets of the Debtor, including the Real Property, for sale on April 4, 2022 (the “**Sale Process**”), which included:
- (a) creating an online dataroom;
 - (b) posting for sale signage on the Real Property;
 - (c) advertising the opportunity multiple times in the *Globe & Mail* (National Edition), the *Hamilton Spectator*, and development industry publication *Novae Res Urbis*;

- (d) direct solicitation to a list of more than 1,000 prospective purchasers and influencers; and
 - (e) a bid submission deadline of May 17, 2022 at 12:00 noon;
12. in response, thirty-five (35) parties executed confidentiality agreements and accessed the dataroom;
 13. at the bid deadline, three (3) offers were received, but each were subject to financing and due diligence conditions, and each was for significantly less than the amount owed to MarshallZehr under its first ranking mortgage;
 14. the Receiver consulted with MarshallZehr, who advised it would not support any of the offers and would submit a credit bid;
 15. given the disparity between the offers and the existing debt, the structural concerns, and MarshallZehr's position, the Receiver determined that it would not proceed with any of the offers;
 16. subsequently, MarshallZehr advised that it was in discussions with a builder interested in acquiring the Real Property by way of an assumption of all or part of the Debtor's indebtedness to MarshallZehr;

PROPOSED TRANSACTION

17. on August 26, 2022, after negotiations between parties, the Purchaser presented a signed APS to the Receiver;
18. the APS in in the form of a conventional insolvency sale transaction and contemplates, *inter alia*:
 - (a) an "as is, where is" acquisition of certain assets, undertakings and properties of the Debtor, including the Real Property;
 - (b) a purchase price that contemplates:

- (i) payment of priority payables – being any amount the ranks in priority to MarshallZehr’s first mortgage (e.g., priority real property tax), facilitated partially by the Lien Holdback discussed below;
 - (ii) payment of all amounts owing under the Receiver’s Borrowings Charge;
 - (iii) payment of a further \$50,000, to cover professional fees and disbursements through closing;
 - (iv) the assumption of the vast majority of the indebtedness to MarshallZehr; and
- (c) a quick closing eleven (11) days after Court approval);
19. the APS is conditional on the Court granting (i) an approval and vesting order and (ii) an order terminating the Existing Purchase Agreements;
20. the Purchaser has advised that it is critical that the acquisition be completed with sufficient time to winterize the Project;
21. the APS represents the highest and best offer received;

LIEN HOLDBACK

22. as stated, the APS contemplates the payment of all Priority Payables, which amount includes the portion of valid construction liens that are determined by the Court to have priority over MarshallZehr’s mortgage;
23. the registered lien claims are (a) Fusioncorp Developments Inc. (“**Fusioncorp**”), being the only direct contractor with the Debtor; and (b) three subcontractors;
24. MarshallZehr disputes the validity of the construction liens and has scheduled a motion to determine the validity of Fusioncorp’s lien claim and intends to do the same with respect to other lien claimants;

25. the Receiver proposes to hold the amount of \$347,404.36 (the “**Lien Holdback**”), representing 10% of the costs of services supplied by Fusioncorp and subcontractors to the Project – being the Receiver’s view of the maximum priority amount under all of the registered liens, collectively, pursuant to the *Construction Act*;
26. Fusioncorp has confirmed that the Lien Holdback represents the maximum amount of the deficiency in the holdback under the *Construction Act*;
27. the Receiver will hold the Lien Holdback until such time as the entitlement of the lien claimants has been determined and Court directs the distribution of the Lien Holdback, or the parties consent to the release of the Lien Holdback;

TERMINATION OF EXISTING PURCHASE AGREEMENTS

28. as stated above, the APS is conditional on an order of the Court terminating the Existing Purchase Agreements;
29. the Project is not near completion, has significant issues that must be rectified in order to for the development to proceed and no offeror in the process was prepared to assume the Existing Purchase Agreements;
30. the Receiver is of the view that termination of the Existing Purchase Agreements is necessary to facilitate the sale of the Project;

APPROVAL OF REPORTS

31. the Receiver has undertaken those activities which are further detailed in the First Report and Second Report, in accordance with the terms of the Appointment Order;
32. the First Report and the Second Report (and the interim statement of receipts and disbursements contained in the Second Report) fairly and accurately reflect the circumstances of the receivership and the activities performed by the Receiver since its appointment;

APPROVAL OF FEES AND DISBURSEMENTS

33. the Receiver's fees and fee accrual, including the fees and fee accrual of its legal counsel, as set out in the Second Report, are fair and reasonable;

DISCHARGE

34. if the relief sought on this motion is approved, the remaining activities of the Receiver in these proceedings shall include (a) completion of the Transaction; (b) administration of the Lien Holdback, including the return of any surplus amount to MarshallZehr; (c) filing all requisite tax returns and recouping any input tax credits and (d) such other administrative matters as required to complete the Receiver's file (collectively, the "**Remaining Duties**"); and, upon completion of the Remaining Activities, the Receiver will have realized on all assets and distributed all monies pursuant to its mandate under the Appointment Order;
35. the Receiver recommends and requests that the Court grant the Receiver's its discharge, subject only to completing those tasks outlined herein and the Remaining Activities and the filing of a certificate with the Court, confirming the same;

OTHER GROUNDS

36. such other grounds as set out in the Reports;
37. the Consolidated Practice Direction Concerning the Commercial List and the inherent equitable jurisdiction of the Court;
38. rules 1.04, 2.03, 3.02, 16.08 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194;
39. section 100 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43;
40. sections 249 and 250 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;
41. the *Bankruptcy and Insolvency General Rules*, C.R.C., c. 368;
42. such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. the Second Report and the appendices thereto; and
2. such further and other documentary evidence as counsel may advise and this Court permits.

DATE: September 07, 2022

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RSM Canada Limited*

TAB A

SCHEDULE “A”

DRAFT ORDER

[see attached]

Court File No. CV-22-00674747-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

THE HONOURABLE)	MONDAY, THE 3 rd
)	
JUSTICE <*>)	DAY OF OCTOBER 2022

B E T W E E N:

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- and -

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Respondent

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

APPROVAL AND VESTING ORDER

THIS MOTION, made by RSM Canada Limited., in its capacity as the Court-appointed receiver (the "**Receiver**"), without security, of all of the undertakings, properties and assets of Areacor Inc. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Marbelle Estates Inc. (the "**Purchaser**") dated August 26, 2022, and appended to the Second Report of the Receiver dated September 8, 2022 (the "**Second Report**"), and vesting in the Purchaser the Debtor's rights, title and interests in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day by judicial videoconference at the Courthouse at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and the confidential appendices to the Second Report, filed separately with the Court (the “**Confidential Appendices**”) and on hearing the submissions of counsel for the Receiver, the Debtor, and such other counsel and parties as listed on the Counsel Slip, no one else appearing for any other person on the service list, although properly served as appears from the affidavit of Amanda Adamo sworn <*>, 2022, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as **Schedule “A”** hereto (the “**Receiver's Certificate**”), all of the Debtor’s rights, title and interests in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Mr. Justice Cavanagh dated January 13, 2022 ; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule “C”** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “D”** hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office (#62) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land*

Registration Reform Act, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in **Schedule “B”** hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule “C” hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS** that the Existing Purchase Agreements (as defined in the Second Report) between the Debtor and purchasers of residential condominium units (the “**Condo Purchasers**”) that were to be built by the Debtor on the Real Property, shall be terminated on the date on which the Receiver delivers the Receiver’s Certificate pursuant to paragraph 2 hereof. The Receiver be and is hereby directed to (a) deliver a copy of this Order, by mail or email (where possible) to the each of the Condo Purchasers forthwith following the issuance hereof; and, (b) to deliver a copy Receiver’s Certificate by the same means to each of the Condo Purchasers forthwith after delivery thereof, confirming the termination of the Existing Purchase Agreements.

6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser information in the Debtor's records. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of either of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of either of the Debtors.

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

9. **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.

10. **THIS COURT ORDERS** that this order is effective from today's date and is enforceable without the need for entry and filing.

Schedule "A" – Form of Receiver's Certificate

Court File No. CV-22-00674747-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

AREACOR INC.

Respondent

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

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of The Honourable Justice Cavanagh the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 13, 2022, RSM Canada Limited was appointed as the receiver (the "**Receiver**"), without security, of all of the undertakings, properties and assets of Areacor Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated October 3, 2022, the Court approved the agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Marbelle Estates Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's rights, title and interests in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing set out in the Sale Agreement have been satisfied or

waived by the Receiver and the Purchaser; and (iii) the transaction contemplated by the Sale Agreement has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The transaction contemplated by the Sale Agreement has been completed to the satisfaction of the Receiver.

THIS CERTIFICATE was delivered by the Receiver at <*> on <*>, 2022.

RSM CANADA LIMITED, solely in its capacity as Court-appointed Receiver of of all of the undertakings, properties and assets of Areacor Inc. and not in any persona, corporate or other capacity

Per: _____

Name:

Title:

Schedule “B” – Real Property

Municipal Address: 15 Cannon Street West, Hamilton, Ontario

Legal Description: PIN 17586-01553 (LT)

Part of Lot 13, Block 6 Plan 39, Part 1 on 62R-21575, subject to easement as in Instrument No. WE1493193; City of Hamilton, being all of PIN17586-01553 (LT)

Schedule “C” – Claims to be deleted and expunged from title to Real Property

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
WE1252218	Nov 23, 2017	Charge	\$3,500,000	Debtor & Roni Gilyana	Aviva Insurance Company of Canada
WE1293837	June 29, 2018	Charge	\$12,000,000	Debtor & Roni Gilyana	Marshallzehr Group Inc.
WE1293838	June 29, 2018	No Assgn Rent		Debtor & Roni Gilyana	Marshallzehr Group Inc.
WE1293839	Jun 29, 2018	No Assgn Rent Gen		Debtor	Marshallzehr Group Inc.
WE1293840	Jun 29, 2018	Restriction-Land		Debtor & Roni Gilyana	
WE1293841	Jun 29, 2018	Restriction-Land		Debtor	
WE1294556	Jul 5, 2018	Postponement		Aviva Insurance Company of Canada	Marshallzehr Group Inc.
WE1344993	Mar 22, 2019	Notice	\$2	Debtor	Marshallzehr Group Inc.
WE1351712	Apr 30, 2019	Charge	\$208,756	Debtor	City of Hamilton
WE1493194	Feb 25, 2021	Postponement		Aviva Insurance Company of Canada	Bell Canada
WE1493195	Feb 25, 2021	Postponement		Marshallzehr Group Inc.	Bell Canada
WE1567387	Dec 10, 2021	Construction Lien	\$2,436,674	Fusioncorp Developments Inc.	
WE1570556	Dec 21, 2021	Certificate		Fusioncorp Developments Inc.	Debtor & Marshallzehr Group Inc.
WE1574019	Jan 11, 2022	Construction Lien	\$176,618	Demand Electric Inc.	

WE1575349	Jan 17 2022	Certificate		Demand Electric Inc.	
WE1577044	Jan 21, 2022	Apl Court Order		Superior Court of Justice (Commercial List)	RSM Canada Limited
WE1578689	Jan 28 2022	Construction Lien	\$88,692	Earl O'Neil Electric Supply Limited	
WE1590029	Jun 17 2022	Construction Lien	\$52,545	Northstar Scaffold (Ontario) Inc.	
WE1614092	Jun 17 2022	Certificate		Earl O'Neil Electric Supply Limited	

**Schedule “D” – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

SPECIFIC PERMITTED ENCUMBRANCES / REGISTRATIONS

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
WE1132144	Jul 7, 2016	Transfer	\$285,000	Arthur Terrance Cook	Debtor
WE1185398	Feb 10, 2017	Transfer		Roni Kilyana	Roni Kilyana & Debtor
WE1303020	Aug 16, 2018	Transfer	\$305,350	Roni Kilyana	Debtor
WE1329678	Dec 24 2018	Notice	\$2	Debtor	City of Hamilton
WE1375037	Aug 19 2019	Appl to Consolidate		Debtor	
62R21575	Nov 25, 2020	Plan Reference			
WE1472027	Nov 25, 2020	Apl Absolute Title		Debtor	
WE1493193	Feb 25, 2021	Transfer Easement	\$2	Debtor	Bell Canada

GENERAL PERMITTED ENCUMBRANCES

1. Any registered reservations, restrictions, rights of way, easements or covenants that run with the Real Property.
2. Any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service.
3. All applicable laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the Real Property.
4. Any minor easements for the supply of utility service to the Real Property or adjacent properties.

5. Encroachments disclosed by any errors or omissions in existing surveys of the Real Property or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-laws or any other applicable law, by-laws or regulations which might be disclosed by a more up-to-date survey of the land and survey matters generally.
6. The exceptions and qualifications set forth in the *Land Titles Act* (Ontario).
7. The reservations, limitations, provisos and conditions contained in the original grant from the Crown.
8. Liens for taxes if such taxes are not due and payable.
9. Such other minor encumbrances or defects in title which do not, individually or in the aggregate, materially affect the use, enjoyment or value of the Real Property or any part thereof, or materially impair the value thereof.

MARSHALLZEHR GROUP INC.

Applicant

-and-

AREACOR INC.

35
Respondent

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

Court File No. CV-22-00674747-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

Proceedings commenced at Toronto

APPROVAL & VESTING ORDER

LOOPSTRA NIXON LLP
120 Adelaide Street West – Suite 1901
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*Independent counsel to the Receiver, RSM
Canada Limited*

TAB B

SCHEDULE “B”

DRAFT ORDER

[see attached]

Court File No. CV-22-00674747-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

THE HONOURABLE)	MONDAY, THE 3 rd
)	
JUSTICE <*>)	DAY OF OCTOBER 2022

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

AREACOR INC.

Respondent

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

DISCHARGE ORDER

THIS MOTION, made by RSM Canada Limited, in its capacity as the Court-appointed receiver (the "**Receiver**"), without security, of all of the undertakings, properties and assets of Areacor Inc. (the "**Debtor**"), including but not limited to the real property known municipally as 11 and 15 Cannon Steet West, Hamilton, Ontario and registered in Land Titles under PIN 17586-01553 (LT) (the "**Real Property**"), for an order, *inter alia*:

1. approving the activities of the Receiver as set out in the first report of the Receiver dated September 2, 2022 (the "**First Report**"), the second report of the Receiver dated September 8, 2022 (the "**Second Report**"; and, together with the First Report, the "**Reports**") and the confidential appendices to the Second Report (the "**Confidential Appendices**");

2. approving the fees and disbursements of the Receiver and its counsel;
3. authorizing and directing the Receiver to administer the Lien Holdback (as defined herein) in accordance with the terms hereof;
4. sealing the Confidential Appendices;
5. discharging RSM Canada Limited as Receiver of the undertakings, properties and assets of the Debtor; and
6. releasing RSM Canada Limited. from any and all liability, as set out in paragraph 10 of this Order,

was heard this day by judicial videoconference at the Courthouse at 330 University Avenue, Toronto, Ontario.

ON READING the Reports, the Confidential Appendices, the affidavits of the Receiver and its counsel as to fees appended to the Second Report (collectively, the “**Fee Affidavits**”), and on hearing the submissions of counsel for the Receiver, the Debtor, and such other counsel and parties listed on the Counsel Slip, no one else appearing although served as evidenced by the Affidavit of Amanda Adamo sworn September <*>, 2022, filed;

APPROVAL OF ACTIVITIES AND FEES

1. **THIS COURT ORDERS** that the activities of the Receiver as set out in the Reports and the Confidential Appendices, including the interim statement of receipts and disbursements appended to the Second Report, are hereby approved.
2. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, including the Fee Accruals (as defined in the Second Report) and as set out in the Second Report and the Fee Affidavits (collectively the “**Approved Administrative Fees**”), are hereby approved.

LIEN HOLDBACK

3. **THIS COURT ORDERS** that upon closing of the Court-approved transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale dated August 26, 2022 between the Receiver, as vendor, and Marbelle Estates Inc., as purchaser, the Receiver be and his

hereby authorized and directed to deposit and hold the amount of \$347,404.36, out of the closing proceeds (the “**Lien Holdback**”).

4. **THIS COURT ORDERS** that MarshallZehr Group Inc. (“**MarshallZehr**”) or those parties having registered liens against the Real Property (the “**Lien Claimants**”) shall be entitled to make a motion to the Court in these proceedings, on notice to all such parties and the Receiver, for the purposes of establishing entitlement to the Lien Holdback; and, for greater certainty, as necessary, the stay in this proceedings is lifted for the limited purpose of allow any such party to make such motions.

5. **THIS COURT ORDERS** that, notwithstanding that it is entitled to notice of any motion as above, the Receiver shall not be a party to any such motion and shall not be required to produce a report or any documentation, nor sit for examinations, nor participate in any such motion in any manner other than as an observer and in no event shall costs be sought or awarded against the Receiver in connection with the same.

6. **THIS COURT ORDERS** that the Receiver shall hold the Lien Holdback in a non-interest-bearing account, to be distributed by the Receiver pursuant to further order(s) of the Court or on the express agreement and consent of MarshallZehr and the Lien Claimants.

7. **THIS COURT ORDERS** that once the Receiver made all distributions out of the Lien Holdback pursuant to paragraph 6 hereof, the Receiver shall refund the balance of the Lien Holdback, if any, to MarshallZehr.

SEALING

8. **THIS COURT ORDERS** that the Confidential Appendices be and are hereby sealed and shall not form part of the public record pending closing of the Transaction or further order of this Court.

DISCHARGE

9. **THIS COURT ORDERS** that upon payment of the Approved Administrative Fees and amounts contemplated by paragraph 7 hereof and upon the Receiver filing a certificate (the “**Discharge Certificate**”) certifying that it has completed the Remaining Duties (as defined in the

Second Report), the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of RSM Canada Limited, in its capacity as Receiver.

10. **THIS COURT ORDERS AND DECLARES** that, upon the filing of the Discharge Certificate, RSM Canada Limited is hereby released and discharged from any and all liability that RSM Canada Limited now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of RSM Canada Limited while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, RSM Canada Limited is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

EFFECTIVENESS

11. **THIS COURT ORDERS** that this order is effective from today's date and is enforceable without the need for entry and filing.

MARSHALLZEHR GROUP INC.
Applicant

-and- **AREACOR INC.**
Respondent

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

Court File No. CV-22-00674747-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

Proceedings commenced at Toronto

DISCHARGE ORDER

LOOPSTRA NIXON LLP

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*Independent counsel to the Receiver, RSM
Canada Limited*

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

Court File No. CV-22-00674747-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)
[Commercial List]**

Proceedings commenced at **Toronto**

**NOTICE OF MOTION
(returnable October 3, 2022 @ 10:00am)**

LOOPSTRA NIXON LLP
135 Queens Plate Drive – Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix LSO# 52650N
Tel. 416.748.4776
Email. gphoenix@loonix.com

*Independent Counsel to the Receiver, RSM Canada
Limited*

TAB 2

Court File No. CV-22-00674747-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N :

MARSHALLZEHR GROUP INC.

Applicant

- and -

AREACOR INC

Respondent

SECOND REPORT OF THE RECEIVER
September 8, 2022

INTRODUCTION

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on January 13, 2022 (the “**Appointment Order**”), RSM Canada Limited (“**RSM**”) was appointed receiver (the “**Receiver**”) of all of the assets, undertakings and properties (collectively, the “**Property**”) of Areacor Inc. (“**Areacor**” or the “**Debtor**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. The Appointment Order authorizes the Receiver to, *inter alia*:
 - (a) 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) receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes and the placement of such insurance coverage as may be necessary or desirable;
 - (c) market the Property, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; and
 - (d) sell, convey, transfer, lease or assign the Property with the approval of this Court.
3. On September 2, 2022, the Receiver issued its first report to the Court (the “**First Report**”) for the purpose of, among other things, seeking an Order, *nunc pro tunc*, amending Paragraph 21 of the Appointment Order to increase the maximum borrowings set out in that paragraph from \$250,000 to \$500,000. The Court is set to hear the Receiver’s motion, which is unopposed, on September 13, 2022. A copy of the First Report, without appendices, is attached hereto as **Appendix “B”**
4. The Appointment Order and other pertinent documents have been posted on the Receiver’s website, which can be found at: <http://www.rsmcanada.com/areacor-inc>.

PURPOSE OF REPORT

5. The purpose of this report (the “**Second Report**”) is to:
- (a) report to the Court on the activities of the Receiver from the date of its appointment to August 31, 2022;
 - (b) provide background information about the Real Property and the Project (each capitalized term as defined below);
 - (c) provide to the Court details of the Receiver’s marketing activities, which led to the execution of the APS (as defined below);
 - (d) provide the Court with a summary of the Receiver’s cash receipts and disbursements for the period January 13, 2022 to August 31, 2022 (the “**R&D**”);
 - (e) seek an Order from the Court:
 - (i) approving the First Report, the Second Report and the activities of the Receiver set out therein and herein;
 - (ii) authorizing and directing the Receiver to enter into and carry out the terms of the APS, together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Purchased Assets (as defined in the APS) in the Purchaser (as defined below) upon the closing of the purchase and sale transaction contemplated in the APS;
 - (iii) terminating the Existing Purchase Agreements (as defined below);
 - (iv) sealing Confidential Appendices 1 and 2 to the Second Report;
 - (v) approving the R&D;

- (vi) approving the fees and disbursements of the Receiver and of the Receiver's legal counsel through August 31, 2022, and estimated fee and disbursements to the completion of this receivership proceeding; and
- (vii) terminating these proceedings and discharging the Receiver from the powers, duties and obligations attendant to its appointment as Receiver upon the filing of the Receiver's Discharge Certificate.

TERMS OF REFERENCE

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

BACKGROUND

8. The Debtor was incorporated on August 15, 2013 and appears to be a single purpose corporation holding title to real property municipally known as 11-15 Cannon Street West, Hamilton, Ontario (the "**Real Property**").
9. According to a corporate profile report dated December 7, 2021, Mr. Roni Gilyana is the sole director of Areacor. The registered office and mailing address for Areacor is Suite

270 – 2869 Bloor Street West, Etobicoke, Ontario. A copy of the corporate profile report is attached hereto as **Appendix “C”**.

10. The Debtor acquired the Real Property to develop a six-storey condominium project consisting of 40 residential units and commercial space on the ground floor, marketed as ‘Jamesville Lofts’ (the “**Project**”).
11. As of January 13, 2022, the Debtor was party to 29 agreements of purchase and sale of residential condominium units at the Project (the “**Existing Purchase Agreements**”). The Receiver has been informed by Harris Sheaffer LLP (“**Harris Sheaffer**”), the Debtor’s condominium lawyers, that \$2,612,468.16 of deposits were collected in connection with the Existing Purchase Agreements. Harris Sheaffer has confirmed that \$2,235,921.00 of the deposits was released to Areacor for use on the Project as permitted, and \$376,547.16 remains held in trust by Harris Sheaffer.
12. As of the date of the Receiver’s appointment, a five-storey skeleton structure, consisting of steel framing and pre-cast concrete slabs, had been erected at the Real Property (the “**Structure**”).
13. The Receiver understands that construction activity on site at the Project had ceased in or around June 2021.
14. The applicant, MarshallZehr Group Inc. (“**MarshallZehr**”), provided construction financing to Areacor, which was secured by, among other things, a mortgage on the Real Property in the principal amount of \$13.5 million (the “**MarshallZehr Mortgage**”).
15. Due to the Debtor being in default of its payment obligations to MarshallZehr, MarshallZehr commenced this proceeding for the appointment of RSM as receiver.
16. The Debtor did not oppose the application to appoint the Receiver.
17. On January 13, 2022, the Court issued the Appointment Order, and RSM was thereby appointed as Receiver of Areacor.

18. Pursuant to paragraph 25 of the Appointment Order, Chaitons LLP (“**Chaitons**”) is counsel to the Receiver in respect of any matter where there is no conflict of interest. Loopstra Nixon LLP (“**Loopstra Nixon**”) is independent counsel to the Receiver.

THE RECEIVER’S ACTIVITIES

Possession and Security

19. On January 14, 2022, following the issuance of the Appointment Order, the Receiver attended at the Real Property to secure the premises and take possession.
20. The Debtor provided the Receiver with keys to access the site, as well as the site trailer and storage bins located at the Real Property.
21. The Receiver identified several security surveillance cameras throughout the Real Property, which appeared to be centrally monitored by Live Patrol Remote Live Video Monitoring (“**Live Patrol**”). The Receiver made arrangements with Live Patrol to continue the monitoring services for the Real Property.

Banking

22. The Receiver contacted Areacor’s banks, TD Canada Trust (“**TD**”) and First Ontario Credit Union (“**First Ontario**”) on February 15, 2022, to advise of the receivership and to request that the Debtor’s bank accounts be frozen, and all funds, if any, be transferred to the Receiver. TD confirmed to the Receiver that Areacor’s bank account was frozen, and \$1,789.05 was subsequently transferred to the Receiver. First Ontario confirmed to the Receiver that Areacor’s bank account was frozen, and \$340.69 was subsequently transferred to the Receiver.

Insurance

23. Upon its appointment, the Receiver contacted the Debtor’s insurance broker to (i) notify it of the receivership, (ii) enquire if the Debtor’s insurance was in effect, and (iii) confirm that the insurer would continue the existing coverage and add the Receiver as a named insured to the policy.

24. The broker informed the Receiver that due to the cessation of construction activity on site, the Debtor's existing property coverage was void, and could not be reinstated for the Receiver. However, the liability coverage secured by the Debtor remained in force. The Receiver arranged to continue the Debtor's existing liability insurance coverage with the broker.
25. In view of the foregoing, the Receiver obtained its own property insurance with coverage for the Real Property, effective January 13, 2022. The Receiver has extended its coverage for the Real Property to October 21, 2022.

Books and Records

26. Upon its appointment, the Receiver contacted the Debtor to request information and documentation regarding the Property and the Debtor. Mr. Gilyana, the principal of the Debtor, subsequently provided the Receiver with access to an online cloud storage folder containing information and documentation relating to the Real Property and the Project.

Electrical Safety

27. On April 20, 2022, the Electrical Safety Authority ("ESA") issued a Hazardous Investigation Defect Notice for the Real Property, noting that the temporary electrical service appeared to be in poor condition, and remedial work would need to be completed by May 4, 2022.
28. Notwithstanding that the ESA had provided the Receiver until May 4, 2022 to address the issues, Alectra Utilities Corporation ("**Alectra**") disconnected all power to the Real Property on April 22, 2022, at the request of ESA. The Receiver arranged for an ESA manager to attend on site at the Real Property on April 22, 2022, to meet with the Receiver's representative and a qualified electrical contractor, at which time the issues were addressed to the ESA's satisfaction. Power was restored to the Real Property by Alectra shortly before 5:00 p.m. on the same day.

Statutory Notices

29. On January 21, 2022, the Receiver prepared the Notice and Statement of Receiver pursuant to Section 245(1) of the *Bankruptcy and Insolvency Act* (the “**245 Notice**”) to the known creditors of Areacor provided by the Debtor and identified through a title search of the Property and a Personal Property Security Registration System search. A copy of the 245 Notice is attached hereto as **Appendix “D”**.

Structural Deficiencies

30. On November 17, 2021, Centric Engineering Corporation (“**CEC**”) issued a letter to the Debtor and the Project’s architect with respect to the Project (the “**CEC Letter**”). A copy of the CEC letter is attached hereto as **Appendix “E”**.
31. The CEC Letter noted several issues relating to the structural integrity of the Structure. Specifically, the CEC Letter concluded that the existing structural steel framing is adequate to support the dead load and construction live load in its current state. However, the Structure is inadequate to support the factored design load in its present state. The CEC Letter concluded that “No work is to be completed on-site beyond the temporary shoring, investigation, and protection work outlined above (i.e. new construction or the remediation of deficiencies are not to be carried out at this time)”.
32. As set out in the appendix to the CEC Letter, additional investigations would need to be undertaken in order for CEC to complete its assessment of the deficiencies and the scope of work required to remedy these deficiencies. These investigations include, among other things, a full steel inspection of the as-built structure, an up-to-date inspection report for the hollowcore installation, and a concrete reinforcement inspection. The Receiver was subsequently informed that these inspections were never requested by the architect, Lintack Architects Incorporated (“**Lintack**”), CEC, or the Debtor.
33. As a result of CEC’s findings and conclusions in the CEC Letter, the City of Hamilton (the “**City**”) issued an order to comply (the “**Order to Comply**”) dated December 9, 2021. The Order to Comply required that all access to the site be suspended immediately, pending

satisfaction of CEC's concerns as set out in the CEC Letter. A copy of the Order to Comply is attached hereto as **Appendix "F"**.

34. On January 26, 2022, the Receiver contacted the City to (i) advise the City of the Receiver's appointment, and (ii) enquire about the status of the Debtor's response, if any, to the Order to Comply. The City advised the Receiver that no response had been received from the Debtor.
35. On January 27, 2022, the Receiver contacted Lintack and CEC to discuss (i) the findings and conclusions in the CEC Letter, and (ii) the process that would be required in order to address the structural deficiencies. Based on this discussion, the Receiver engaged various third-party consultants to investigate and analyze the deficiencies to facilitate CEC's further review of the structural deficiencies.
36. The consultants retained by the Receiver noted various safety concerns at the Property and advised the Receiver that these concerns would need to be addressed prior to the commencement of any on-site investigative work. These safety concerns included, among other things, missing/incomplete safety railings on the perimeter of the structure, scrap metal and other obstacles strewn about the structure, and exposed staircase and elevator openings. The Receiver arranged for Pronto General Contractors to attend at the Property and clean up the site in accordance with instructions from the consultants.
37. On June 6, 2022, CEC provided a report to the Receiver (the "**CEC Report**"), which included CEC's review and analysis of the additional investigative work completed by the consultants engaged by the Receiver. A copy of the CEC Report, including copies of the consultants' reports that were analyzed by CEC, is attached hereto as **Appendix "G"**.

Parking Lot Lease

38. In 2019, the Debtor entered into an agreement with the City to lease a portion of the municipal parking lot that is directly adjacent to the Real Property. This area was used by the Debtor as a 'staging area' for materials and equipment during construction (the "**Staging Area**").

39. On or about March 18, 2022, representatives of the City advised the Receiver that the City would like the Staging Area to be vacated and turned over to the City.
40. The Receiver understands that the ongoing use of the Staging Area is critical to the development of the Real Property. As such, the Receiver and its counsel are in the process of negotiating an agreement with the City to continue leasing the Staging Area. It is anticipated that once completed, this agreement would be assigned to the Purchaser on closing of the sale transaction, if it is approved by the Court.

Equipment Deposits

41. On February 14, 2022, counsel to the Debtor wrote to the Receiver's counsel to, among other things, advise the Receiver of deposits that had been paid to two vendors: Schindler Elevator Corporation ("**Schindler**") and Medcon Mechanical ("**Medcon**").
42. The Receiver contacted Schindler to inquire about the deposit paid by Areacor in the amount of \$78,591.50 (the "**Schindler Deposit**"). Schindler advised the Receiver that the Schindler Deposit had been applied to work-in-process relating to the passenger elevators and the vehicle elevator for the Project. Schindler has agreed, subject to a revision of the contract pricing and the timeline, to allow the Purchaser to apply the Schindler Deposit to a new contract to be entered into between Schindler and the Purchaser with respect to the Property.
43. The Receiver confirmed with Medcon that all amounts paid by Areacor, specifically the \$90,550 noted by the Debtor, related to services performed, and products installed underground. Therefore, no funds remain owing on account to the Debtor.

Correspondence with Unit Purchasers

44. On March 31, 2022, the Receiver wrote to the twenty-nine (29) purchasers of condominium units at the Property (the "**Unit Purchasers**") to (i) advise the Unit Purchasers of the Receiver's appointment, (ii) notify the Unit Purchasers of the Receiver's intention to list the Property for sale, and (iii) provide an update with respect to the deposits paid by the

Unit Purchasers (the “**March 31 Letter**”). A partially redacted copy of the March 31 Letter is attached hereto as **Appendix “H”**.

45. On July 11, 2022, the Receiver again wrote to the Unit Purchasers to provide an update regarding the status of the Sale Process (the “**July 11 Letter**”). A partially redacted copy of the July 11 Letter is attached hereto as **Appendix “I”**.

MORTGAGES AND CONSTRUCTION LIENS

46. Attached hereto as **Appendix “J”** is a copy of the parcel register for the Real Property as of September 7, 2022, which shows three (3) mortgages and four (4) construction liens registered against title. These mortgages and construction liens are discussed below.

Aviva Mortgage

47. On November 23, 2017, Aviva Insurance Company of Canada (“**Aviva**”) registered a mortgage against the Real Property in the principal amount of \$3.5 million.
48. The Receiver understands that the Aviva mortgage was granted in connection with a \$800,000 bond issued by Aviva in favour of Tarion and a \$2.0 million deposit insurance facility with respect to the Project.

MarshallZehr Mortgage

49. As noted above, MarshallZehr provided construction financing to the Debtor with respect to the Project. On June 29, 2018, MarshallZehr registered a mortgage against the Real Property in the principal amount of \$12.0 million. The principal amount of the mortgage was increased to \$13.5 million on March 22, 2019.
50. Pursuant to a postponement of interest from Aviva to MarshallZehr registered against the Real Property on July 5, 2018, Aviva agreed to subordinate its mortgage in favour of the MarshallZehr Mortgage.
51. As a result, MarshallZehr holds the first registered mortgage against the Real Property.

52. The Receiver has received from MarshallZehr a mortgage payout statement current to May 31, 2022 (the “**MZ Statement**”). According to the MZ Statement, the amount owing to MarshallZehr and required to discharge the MarshallZehr Mortgage was \$7,485,590.37 as of May 31, 2022, inclusive of principal, interest and fees, and the \$250,000 advance, plus interest, for which Receiver Certificate No. 1 that was issued pursuant to the Appointment Order. A copy of the MZ Statement is attached hereto as **Appendix “K”**.
53. The Receiver has received an opinion from Loopstra Nixon (the “**Security Opinion**”) that, subject to the qualifications and assumptions contained therein that are typical for opinions issued to Court-appointed receivers, the MarshallZehr Mortgage is a valid and enforceable first registered mortgage against the Real Property. A copy of the Security Opinion is attached hereto as **Appendix “L”**.

City Mortgage

54. On April 30, 2019, the City registered a mortgage against the Real Property in the principal amount of \$208,756. A copy of the City’s mortgage is attached hereto as **Appendix “M”**.
55. The Receiver understands that the Debtor is required to pay certain development charges to the City in connection with the Project. The City agreed to defer payment of \$208,755.90 in development charges for five years from the issuance of the building permit for the Project pursuant to a deferral agreement entered into by the City and Areacor (the “**Deferral Agreement**”). The mortgage granted to the City secures payment of the deferred development charges.

Construction Liens

56. The following parties (collectively, the “**Lien Claimants**”) have registered construction liens (collectively, the “**Construction Liens**”) against the Real Property with respect to goods and/or services supplied in connection with the Project:
- (a) Fusioncorp Developments Inc. (“**Fusioncorp**”) registered a construction lien in the amount of \$2,436,674.66 against the Property on December 10, 2021;

- (b) Demand Electric Inc. (“**Demand Electric**”) registered a construction lien in the amount of \$176,618.64 against the Property on January 11, 2022;
- (c) Earl O’Neil Electric Supply Limited (“**Earl O’Neil**”) registered a construction lien in the amount of \$88,692.15 against the Property on January 28, 2022; and
- (d) Northstar Scaffold (Ontario) Inc. (“**Northstar**”) registered a construction lien in the amount of \$52,545.54 against the Property on March 14, 2022.

Copies of the Construction Liens are collectively attached hereto as **Appendix “N”**.

- 57. Based on a review of the Construction Liens, the Receiver understands that Fusioncorp was the construction manager for the Project and the only party to have contracted directly with Areacor. Demand Electric and Northstar were subcontractors of Fusioncorp, and Earl O’Neil was a subcontractor of Demand Electric.
- 58. The Receiver notes that the Lien Claimants take the position that the Construction Liens have priority over the MarshallZehr Mortgage. The Receiver also confirms that the MarshallZehr Mortgage was registered on title to the Real Property prior to the time the Lien Claimants started working on the Project.
- 59. The Receiver has been advised by Loopstra Nixon that, based on the information and documentation available to it, the MarshallZehr Mortgage is a “building mortgage” for the purposes of the *Construction Act*, as the financing provided by MarshallZehr to Areacor was for the purpose of financing the construction of the Project.
- 60. Under section 78(2) of the *Construction Act*, construction lien claimants have priority over mortgages that secured the financing of an improvement to the extent, among other things, of any deficiency in the holdbacks that an owner was required to retain.
- 61. The *Construction Act* required Areacor to maintain a basic holdback equal to ten (10) per cent of the price of the services or materials supplied under each contract entered into by Areacor. As of the date of the Receiver’s appointment, Areacor was not retaining any holdback funds.

62. The Receiver has not yet determined the validity, enforceability, quantum or priority of any of the Construction liens.
63. Rather, the Receiver has only attempted to determine the maximum amount of the Construction Liens, to the extent they are properly perfected, that may have priority over the MarshallZehr Mortgage.
64. As noted above, Fusioncorp is the only Lien Claimant that contracted directly with Areacor. Fusioncorp provided an application for payment dated October 31, 2022, which sets out a holdback amount of \$347,404.36. Fusioncorp's lawyers have confirmed in writing that Fusioncorp's position is that the deficiency in the holdback that Areacor was required to maintain in connection with Fusioncorp and its subcontractors is \$347,404.36 (the "**Maximum Holdback Amount**"). A copy of the above-noted application to pay, together with the letter from counsel to Fusioncorp to Chaitons confirming the Maximum Holdback Amount, is collectively attached hereto as **Appendix "O"**.
65. The Receiver understands that MarshallZehr may dispute the quantum of the Maximum Holdback Amount. MarshallZehr has a pending motion to determine the validity of Fusioncorp's lien and has advised that it shall be making a motion or motions to Court to address the balance of the lienholders' claims. The Receiver believes it appropriate to allow the direct stakeholders in such dispute to address the matter directly but proposes a holdback, as outlined below, to protect the parties' rights.
66. On September 7, 2022, Loopstra Nixon sent a letter to counsel to the Lien Claimants setting out the Receiver's view that (a) the Maximum Holdback Amount represents the maximum amount of the Construction Liens that could have priority over the MarshallZehr Mortgage, in the event that the Construction Liens were properly perfected; and, (b) that, as to facilitate the transaction under the APS, Receiver shall obtain an order requiring the Purchaser to pay, and the Receiver to hold, an amount equal to the Maximum Holdback Amount, pending resolution of any priority claim to such amount by all lien claimants and/or an order of the Court to distribute the same, with any amount not properly payable to the lien claimants reimbursed to the Purchaser. A copy of that letter is attached hereto as **Appendix "P"**.

PROPERTY TAXES

67. The Receiver obtained statements of account for the property taxes relating to the Property (the “**Property Tax Statements**”). There are two property tax roll numbers associated with the Property:

Roll No.	Municipal Address
020.123.56520.0000	11 Cannon St West, Hamilton
020.123.56490.0000	15 Cannon St West, Hamilton

Copies of the Property Tax Statements dated September 6, 2022 are collectively attached hereto as **Appendix “Q”**.

68. As set out on the Property Tax Statements, a total of \$286,152.47 was owing to the City as at September 6, 2022. The total is comprised of \$10,979.48 in property tax arrears, \$22,502.92 of interest and penalties, and \$252,670.07 relating to deferred development charges discussed above.
69. The Receiver understands that the City added the deferred development charges to the tax roll on January 14, 2022 in accordance with the terms of the Deferral Agreement. The Receiver has been advised by Loopstra Nixon that once added to the tax roll, the amount has priority over the MarshallZehr Mortgage pursuant to the provisions of the *Municipal Act, 2001* (Ontario).

SALE PROCESS

Marketing Process

70. The Appointment Order, among other things, authorized the Receiver to market and sell the Property.

71. On April 4, 2022, the Receiver commenced a marketing and sale process (the “**Sale Process**”), which included the following activities:
- (a) arranged for signage at the Property indicating that the Property was being sold by the Receiver;
 - (b) compiled a list of prospective purchasers, which included approximately 1,000 industry contacts and influencers (the “**Mailing List**”);
 - (c) prepared (i) a teaser letter (the “**Teaser Letter**”), a form of confidentiality agreement (“**CA**”), a confidential information memorandum (“**CIM**”), and a template agreement of purchase and sale;
 - (d) contacted the Mailing List, enclosing a copy of the Teaser Letter;
 - (e) launched an online data room, which provided prospective purchasers with access to information relating to the Property and the Sale Process (the “**Data Room**”);
 - (f) organized for advertisements to be published in: (i) the *Globe and Mail* (National Edition) on April 7 and April 21, 2022, (ii) *Novae Res Urbis* (GTHA Edition) on April 6 and April 20, 2022, (iii) *Novae Res Urbis* (Toronto Edition) on April 8 and April 22, 2022, and (iv) *The Hamilton Spectator* on April 7 and April 21, 2022.
72. The bid submission deadline was May 27, 2022 at 12:00 noon (the “**Bid Deadline**”).
73. In response to the Receiver’s marketing efforts, the Receiver received thirty-five (35) executed CAs. All of the prospective purchasers who executed a CA received access to the Data Room.

Offers Received

74. As of the Bid Deadline, three (3) offers were submitted to the Receiver. Attached hereto and marked as **Confidential Appendix 1** is a summary of the offers prepared by the Receiver, in respect of which the Receiver shall request a sealing order and is filing with the Court on a confidential basis.

75. The Receiver reviewed the offers received and noted that each of the offers was for significantly less than the amount that Areacor is indebted to MarshallZehr and each of the offers was also subject to financing and further due diligence conditions.
76. As part of its review process, the Receiver sought the input of MarshallZehr in respect of the results of the Sales Process and the offers received. Due to the amount of the offers relative to the amount owing under its mortgage, MarshallZehr advised the Receiver that it would not support the acceptance by the Receiver of any of the offers. MarshallZehr further advised the Receiver that it intended to work with a builder and submit a bid for the Real Property that approximated the debt owing to MarshallZehr.
77. In view of MarshallZehr's position but, more importantly, the disparity between the value of the offers received and the amount owing under the MarshallZehr Mortgage, the Receiver decided to reject the three offers received in the Sale Process. Moreover, based on the feedback received from prospective purchasers – most importantly the significant concerns relating to the deficiencies with the existing structure that had been documented by the engineers and consultants, the Receiver believes that there is no reasonable prospect of selling the Real Property for an amount that could approach the amount owing under the MarshallZehr Mortgage.
78. MarshallZehr later advised that it has been in discussions with a party interested in acquiring the Real Property by way of an assumption or refinancing of all or part of the MarshallZehr Mortgage. The terms of such transaction were negotiated by Chaitons as counsel to MarshallZehr and the Receiver, with the input of the Receiver, and the prospective purchaser.
79. On August 26, 2022, Marbelle Estates Inc. (the "**Purchaser**") submitted an agreement to purchase the Property (the "**APS**"). The Receiver understands that the Purchaser is a company affiliated with the Marbelle Group, which is a privately owned construction and environmental services provider located in Stoney Creek, Ontario and is unrelated to MarshallZehr. A redacted copy of the APS, redacting the financial terms, is attached hereto as **Appendix "R"**. An unredacted copy of the APS, in respect of which the Receiver shall

request a sealing order and shall be filed confidentially with the Court, is marked as **Confidential Appendix 2.**

APS

80. The Receiver has not yet signed the APS, pending Court authorization for the Receiver to enter into the APS. Salient terms of the APS are as follows:
- (a) **Purchase Price**: is comprised of (i) assumption of a portion of the secured debt owed to MarshallZehr, (ii) an amount necessary to satisfy all “Priority Payables” (as defined in the APS), (iii) all amounts secured by the Receiver’s Charge under the Appointment Order and (iv) a further \$50,000 as an estimate of the fees and expenses to be incurred by the Receiver up to the Receiver’s discharge, and (v) assumption of certain liabilities, including the amount secured by the Receiver’s Borrowings Charge under the Appointment Order;
 - (b) **Purchased Assets**: substantially all of Areacor’s property, assets and undertakings;
 - (c) **Closing**: eleven (11) days following the issuance of the approval and vesting order;
 - (d) **Representations and Warranties**: “as is, where is” transaction with limited representations and warranties; and
 - (e) **Material Conditions**: (i) issuance of an approval and vesting order, and (ii) termination of the Existing Purchase Agreements for the condominium units.
81. The Receiver understands that MarshallZehr will be providing financing to the Purchaser with respect to the cash portion of the purchase price, including without limitation the Priority Payables amount.
82. The APS contemplates that the Court grant an order terminating the Existing Purchase Agreements. All four of the offers that the Receiver received for the Real Property stipulated that the Existing Purchase Agreements would not be assumed by the offerors upon the closing of a sale transaction.

83. With respect to the Construction Liens, in the event that the Court approves the sale transaction contemplated by the APS, the Receiver will request the Court grant an order directing the Purchaser to pay the Maximum Holdback Amount to the Receiver on closing to the Receiver, to be held in trust pending further order of the Court or agreement amongst the Lien Claimants and MarshallZehr.

Approval of the Sale Transaction

84. The marketing process that the Receiver undertook was extensive and appropriate for the type of property in question, and provided sufficient market exposure for the Real Property. In particular:
- (a) the Real Property was exposed to the market since April 4, 2022;
 - (b) in addition to general advertising, direct notice of the sale of the Real Property was sent to more than 1,000 industry contacts (i.e. developers, financiers, etc.); and
 - (c) as a result of the marketing efforts undertaken, 35 parties executed a CA. These 35 parties received a copy of the CIM, and had access to the Data Room.
85. The Receiver is of the view that (i) sufficient efforts were made to maximize recoveries, (ii) the length of the marketing process was appropriate, (iii) the marketing process was conducted fairly, and (iv) the best outcome was achieved under the circumstances.
86. The Receiver regards the APS as the most advantageous offer to the creditors and other stakeholders of the Debtor, taking into account the many significant issues and deficiencies in the Structure, and ongoing costs being incurred.
87. The Receiver understands from its discussions with CEC and the Purchaser that time is of the essence, as the existing structure on the Property cannot be exposed to the elements for another winter season without completing various ‘winterization’ tasks; prolonged exposure would cause further harm to the already deficient structure, thereby further degrading and devaluing the Property to the detriment of the stakeholders.

88. The Receiver therefore recommends that this Court approve the APS, and authorize the Receiver to carry out the terms of the APS and grant an Order vesting title in the Property in the Purchaser upon the closing of the transaction.

TERMINATION OF EXISTING PURCHASE AGREEMENTS.

89. As set out above, it is a condition of the APS that an Order be issued terminating the Existing Purchase Agreements.
90. Additionally, the Project is not near completion, has significant structural issues and no offeror in the Sale Process was prepared to assume the Existing Purchase Agreements.
91. Based on the terms of the offers, as well as feedback from prospective purchasers during the Sale Process, it appears that there is no prospect of finding a purchaser for the Real Property that would be willing to assume the Existing Purchase Agreements.
92. The Receiver understands that, under the Existing Purchase Agreements, the Unit Purchasers agreed that they had not acquired any equitable or legal interest in the Real Property, and that the agreements were subordinate and postponed to any mortgages arranged by the Debtor and any advances thereunder.
93. In view of the foregoing, the Receiver respectfully requests that the Court issue an Order terminating the Existing Purchase Agreements.
94. Should the Court make an Order terminating the Existing Purchase Agreements, the Receiver will work with Harris Shaeffer, Tarion, Aviva and its agent to establish a deposit return protocol in order to facilitate the deposit return process for the Unit Purchasers.
95. Accordingly, the Receiver is of the view that termination of the Existing Purchase Agreements is necessary to facilitate the sale of the Project.

RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

96. Attached hereto as **Appendix "S"** is the R&D for the period January 13, 2022 to August 31, 2022. During this period, total receipts were \$255,630 including advances totaling

\$250,000 under Receiver Certificate No. 1, and disbursements were \$246,428, resulting in an excess of receipts over disbursements of \$9,202.

97. As set out in the First Report, the Receiver has requested that the Court increase the total borrowing charge by \$250,000 in order to provide the Receiver with the funding necessary to meet its ongoing obligations in its administration.

PROFESSIONAL FEES

98. The Receiver's accounts total (i) \$157,742.44 in fees and disbursements, plus HST of \$20,506.52 for a total amount of \$178,248.96 for the period January 13, 2022 to July 31, 2022 (the "**Receiver's Accounts**"). Copies of the Receiver's Accounts, together with a summary of the accounts, the total billable hours charged per the accounts, and the average hourly rate charged per the accounts, supported by the Affidavit of Bryan A. Tannenbaum sworn September 8, 2022, are attached hereto as **Appendix "T"**.
99. The accounts of the Receiver's counsel, Chaitons, total \$32,922.50 in fees, \$844.22 in disbursements and \$4,303.58 in HST for a total of \$38,070.30 for the period January 13, 2022 to August 31, 2022 (the "**Chaitons Accounts**"). Copies of the Chaitons Accounts, together with a summary of the personnel, hours and hourly rates described in the Chaitons Accounts, supported by the Affidavit of Sam Rappos sworn September 8, 2022, are attached hereto as **Appendix "U"**.
100. The accounts of the Receiver's counsel, Loopstra Nixon, total \$13,097.00 in fees, \$135.83 in disbursements and \$1,720.27 in HST for a total of \$14,953.10 for the period January 13, 2022 to June August 31, 2022 (the "**Loopstra Nixon Accounts**"). Copies of the Loopstra Nixon Accounts, together with a summary of the personnel, hours and hourly rates described in the Loopstra Nixon Accounts, supported by the Affidavit of Sarah White sworn September 7, 2022, are attached hereto as **Appendix "V"**.

SEALING

101. The Receiver respectfully requests that the Court seal Confidential Appendix 1 and Confidential Appendix 2 pending further Order of the Court, as public disclosure of the

information contained therein could have a detrimental effect on the ability of the Receiver to complete a sale of the Real Property to another party in the event the sale to the Purchaser does not close or is not approved by the Court.

DISCHARGE OF THE RECEIVER

102. As of the date of this Second Report, the Receiver's remaining duties (the "Remaining Duties") include the following:
- (a) closing the sale transaction for the Property;
 - (b) distributing the Lien Holdback, in accordance with an agreement or Court Order to be issued;
 - (c) preparing the Interim and Final Statements of Receiver pursuant to sections 246(2) and 246(3) of the *Bankruptcy and Insolvency Act*; and
 - (d) attending to other administrative matters as necessary.

As the Receiver's administration is substantially complete, and in order to avoid the costs of making a further motion to the Court to obtain the Receiver's discharge, the Receiver is presently seeking an order discharging RSM from the powers, duties and obligations attendant to its appointment as Receiver (the "**Discharge Order**") upon the filing by the Receiver of a certificate confirming that the Receiver has completed the Remaining Duties (the "**Receiver's Discharge Certificate**"), with the proviso that RSM may perform such incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver.

CONCLUSIONS AND RECOMMENDATIONS

103. The Receiver respectfully requests that the Court make an order as detailed in subparagraph 5(e) above.

All of which is respectfully submitted to this Court as of this 8th day of September, 2022.

RSM CANADA LIMITED, solely in its capacity as
Court-appointed Receiver of Areacor Inc.,
and not in its personal or corporate capacity

Per:



Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

TAB A

Court File No. CV-22-00674747-00CL

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

THE HONOURABLE MR.)	THURSDAY, THE 13 th
)	
JUSTICE CAVANAGH)	DAY OF JANUARY, 2022

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

AREACOR INC.

Respondent

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

**ORDER
(appointing Receiver)**

THIS APPLICATION 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 RSM Canada Limited as receiver (the "**Receiver**") without security, of all of the assets, undertakings and properties of Areacor Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day via videoconference due to the COVID-19 pandemic.

ON READING the affidavit of Murray Snedden sworn January 6, 2022 and the Exhibits thereto and the affidavit of Roni Gilyana sworn January 12, 2022 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, the Respondent, and the other parties listed on the Participant Information Sheet, no one else appearing for the parties listed on the service list although duly served as appears from the affidavits of service filed with the Court, and on reading the consent of RSM Canada Limited to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this application 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, RSM Canada 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**"), including, without limitation, the real property described in **Schedule "A"** attached hereto.

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 \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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

- (f) 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 \$250,000 (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 "B" 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.

RETENTION OF LAWYERS

25. **THIS COURT ORDERS** that the Receiver may retain lawyers to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order. Such lawyers may include Chaitons LLP, lawyers for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent lawyers in respect of any legal advice or services where a conflict exists, or may exist.

SERVICE AND NOTICE

26. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/) 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 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL <http://www.rsmcanada.com/areacor-inc>.

27. **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.

28. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

29. **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.

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

31. **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.

32. **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.

33. **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 Applicant from the Debtor's estate with such priority and at such time as this Court may determine.

34. **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.

35. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with

Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be, when the Court returns to regular operations.

SCHEDULE "A"

Municipal Address: 15 Cannon Street West, Hamilton, Ontario

PIN: 17586-0153 (LT)

Property Description: Part of Lot 13, Block 6 Plan 39, Part 1 ON 62R21575; subject to an easement as in WE1493193; City of Hamilton

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties Areacor Inc. (the "**Debtor**") 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 13th day of January, 2022 (the "**Order**") made in an application 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 \$_____ 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 _____, 202__.

RSM CANADA LIMITED, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

MARSHALLZEHR GROUP INC.
Applicant

-and-

AREACOR INC.
Respondent

Court File No. CV-22-00674747-00CL

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

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(appointing Receiver)**

CHAITONS LLP

5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Harvey Chaiton (LSO #21592F)

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E-mail: samr@chaitons.com

Lawyers for the Applicant

TAB B

Court File No. CV-22-00674747-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

MARSHALLZEHR GROUP INC.

Applicant

- and -

AREACOR INC

Respondent

FIRST REPORT OF THE RECEIVER
September 2, 2022

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Appendix "A"	Appointment Order dated January 13, 2022
Appendix "B"	Corporate Profile dated December 7, 2021
Appendix "C"	Interim Statement of Receipts and Disbursements dated August 23, 2022
Appendix "D"	Accrued Expenses as at August 23, 2022

INTRODUCTION

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on January 13, 2022 (the “**Appointment Order**”), RSM Canada Limited (“**RSM**”) was appointed receiver (the “**Receiver**”) of all of the assets, undertakings and properties of Areacor Inc. (“**Areacor**” or the “**Debtor**”). A copy of the Appointment Order is attached to this report as **Appendix “A”**.
2. The Appointment Order authorizes the Receiver to, *inter alia*:
 - (a) take possession of and exercise control over the Property (as defined therein) and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes and the placement of such insurance coverage as may be necessary or desirable;
 - (c) market the Property, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; and
 - (d) sell, convey, transfer, lease or assign the Property with the approval of this Court.
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 \$250,000 (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 and other pertinent documents have been posted on the Receiver's website, which can be found at: <http://www.rsmcanada.com/areacor-inc>.

PURPOSE OF REPORT

5. The purpose of this report (the "**First Report**") is to:
 - (a) provide background information about the Property;
 - (b) provide to the Court an update on the status of the Sale Process (as defined herein);
 - (c) seek an Order, *nunc pro tunc*, amending Paragraph 21 of the Appointment Order to increase the maximum borrowings set out in that paragraph from \$250,000 to \$500,000; and
 - (d) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period January 13, 2022 to August 23, 2022.

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 Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
7. Unless otherwise stated, all monetary amounts contained in the First Report are expressed in Canadian Dollars.

BACKGROUND

8. The Debtor was incorporated on August 15, 2013 and appears to be a single purpose corporation holding legal title to the Property (as defined below).
9. The Debtor is the registered owner of real property municipally known as 11-15 Cannon Street West, Hamilton, Ontario (the “**Property**”).
10. According to a corporate search dated December 7, 2021, Mr. Roni Gilyana is the sole director of the Debtor. The registered office and mailing address for Areacor is Suite 270 – 2869 Bloor St West, Etobicoke, Ontario. A copy of the corporate search for Areacor is attached to this report as **Appendix “B”**.
11. The Receiver understands that the Debtor acquired the Property to develop a six-storey condominium project consisting of 40 residential units and commercial space on the ground floor, marketed as ‘Jamesville Lofts’.
12. As of the date of the Receiver’s appointment, a five-storey skeleton structure consisting of steel framing and pre-cast concrete slabs had been erected at the Property (the “**Structure**”).
13. Prior to the date of the Appointment Order, all construction activity on site at the Property had ceased.
14. The applicant, MarshallZehr Group Inc. (“**MZ**”), is the registered holder of a first mortgage on the Property.
15. Due to the Debtor being in default of its obligations under the mortgage, by Notice of Application dated January 6, 2022, MZ sought the appointment of the Receiver.
16. On January 13, 2022, the Court issued the Appointment Order, and RSM was thereby appointed as Receiver of Areacor.
17. Pursuant to paragraph 25 of the Appointment Order, Chaitons LLP is counsel to the Receiver in respect of any matter where there is no conflict of interest.

18. Loopstra Nixon LLP is independent counsel to the Receiver.

SALE PROCESS

19. The Appointment Order, among other things, authorized the Receiver to market and sell the Property.
20. On April 4, 2022, the Receiver commenced a marketing and sale process for the Property (the “**Sale Process**”).
21. The Receiver intends to bring a motion for, among other things, the approval of a sale transaction based on the highest and best offer received in the Sale Process. The Receiver has provisionally scheduled October 3, 2022 for the hearing of such motion, which date was secured given the limited available Court time, the need to seek sale approval on timeline acceptable to the proposed purchaser, and the need to have sufficient time to address certain construction lien issues. Debtor’s counsel has advised it cannot agree to such hearing date until it reviews the Receiver’s pending report on the proposed sale. Such report and motion materials will be completed imminently. The Receiver has instructed counsel to seek to finalize the sale approval hearing date on a scheduling motion before a judge of the Commercial List .

RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

22. Attached as **Appendix “C”** to this report is an interim statement of receipts and disbursements for the period January 13, 2022 to August 23, 2022 (the “**R&D**”). During this period, total receipts were \$255,602 including advances totaling \$250,000 under Receiver Certificate No. 1, and disbursements were \$242,170, resulting in an excess of receipts over disbursements of \$13,432.

RECEIVER’S BORROWING CHARGE

23. On or about March 14, 2022, \$250,000 was advanced to the Receiver by MZ. As set out on the R&D, a balance of \$13,432 remains in the Receiver’s trust account.

24. As of August 23, 2022, approximately \$53,300 of expenses relating to (i) the security and preservation of the Property, and (ii) the Sale Process, have been accrued (the “**Accrued Expenses**”). The Accrued Expenses do not include any outstanding professional fees. A list of the Accrued Expenses is attached as **Appendix “D”** to this report.
25. The Accrued Expenses represent only part of the expenses the Receiver will require through closing of any transaction for the sale of the Property and its discharge. These costs will only increase if the sale approval motion is not heard on a reasonable timeline or if a transaction is not approved. The Receiver estimates the following additional expenses will be incurred through October 31, 2022, exclusive of professional fees:

Description	Estimated Amount
Insurance	\$ 17,500.00
Equipment Rentals	\$ 10,125.00
Security	\$ 2,950.00
Utilities	\$ 300.00
Total Estimated Expenses through October 31, 2022	\$ 30,875.00

26. In view of the foregoing, the borrowing limit of \$250,000 is no longer sufficient for the Receiver to carry out its mandate under the Appointment Order.
27. Certain vendors have advised the Receiver that they will suspend providing services if the Receiver is unable to pay the outstanding balances on account and go-forward charges. These include critical services, such as insurance, security monitoring, and equipment rentals that are essential to maintain the security and integrity of the Structure on the Property.
28. The Receiver had hoped the Sale Process would be concluded, and the sale transaction closed, by the end of August 2022. However, this is not the case, due to numerous delays relating to (i) an investigation of the Structure; (ii) issuance of engineering reports regarding the Structure; and (iii) negotiation of an agreement of purchase and sale with the proposed purchaser (“**APS**”). Further details regarding these issues will be provided in connection with the Receiver’s upcoming motion for approval of the sale transaction

contemplated by the APS. These issues have resulted in direct and incidental costs, and the Receiver no longer has the ability to pay for required services in the normal course.

29. As the maximum borrowing limit provided in Paragraph 21 of the Appointment Order is \$250,000, the Receiver is requesting that the borrowing limit in Paragraph 21 of the Appointment Order be increased, *nunc pro tunc* to \$500,000. MZ, as the senior secured creditor, supports the increase to the Receiver's borrowing limit.
30. The Receiver will issue Receiver's Certificates in respect of these advances after the hearing of the Receiver's motion, as the form of Receiver's Certificate will have to be amended to reflect any increased borrowing limit provided for in Paragraph 21.

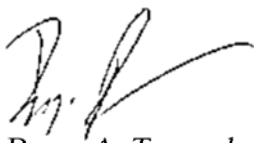
CONCLUSIONS AND RECOMMENDATIONS

31. The Receiver is advised, through counsel, that MZ and the Debtor do not oppose the relief sought herein.
32. The Receiver respectfully requests that the Court make an order as detailed in paragraph 5(c) above.

All of which is respectfully submitted to this Court as of this 2nd day of September, 2022.

RSM CANADA LIMITED, solely in its capacity as
Court-appointed Receiver of Areacor Inc.,
and not in its personal or corporate capacity

Per:



Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

TAB C



Corporate Profile / Profil corporatif

Date and time of Corporate Profile (YYYY-MM-DD)	2021-12-07 2:47 PM	(AAAA-MM-JJ) Date et heure du Profil corporatif
---	--------------------	---

CORPORATE INFORMATION	RENSEIGNEMENTS CORPORATIFS	
Corporate name	Dénomination	
	AREACOR INC.	
Corporation number	860884-9	Numéro de société ou d'organisation
Business number	844021030RC0001	Numéro d'entreprise
Governing legislation	Régime législatif	
	Canada Business Corporations Act (CBCA) - 2013-08-15	
	Loi canadienne sur les sociétés par actions (LCSA) - 2013-08-15	
Status	Statut	
	Active	
	Active	

REGISTERED OFFICE ADDRESS	ADRESSE DU SIÈGE
	Suite #270 - 2869 Bloor St West Etobicoke ON M8X 1B3 Canada

ANNUAL FILINGS	DÉPÔTS ANNUELS	
Anniversary date (MM-DD)	08-15	(MM-JJ) Date anniversaire
Filing period (MM-DD)	08-15 to/au 10-14	(MM-JJ) Période de dépôt
Status of annual filings	Statut des dépôts annuels	
	Filed 2021	Déposé
	Filed 2020	Déposé
	Filed 2019	Déposé
Date of last annual meeting (YYYY-MM-DD)	2021-07-31	(AAAA-MM-JJ) Date de la dernière assemblée annuelle
Type	Type	
	Non-distributing corporation with 50 or fewer shareholders	
	Société n'ayant pas fait appel au public et comptant 50 actionnaires ou moins	

DIRECTORS		ADMINISTRATEURS
Minimum number	1	Nombre minimal
Maximum number	10	Nombre maximal
Current number	1	Nombre actuel
Roni Gilyana		Suite #270 - 2869 Bloor St West, Etobicoke ON M8X 1B3, Canada

CORPORATE HISTORY		HISTORIQUE CORPORATIF
Corporate name history (YYYY-MM-DD)		(AAAA-MM-JJ) Historique de la dénomination
2013-08-15 to present / à maintenant	AREACOR INC.	
Certificates issued (YYYY-MM-DD)		(AAAA-MM-JJ) Certificats émis
Certificate of Incorporation	2013-08-15	Certificat de constitution en société
Certificate of Dissolution	2016-06-13	Certificat de dissolution
Certificate of Revival	2016-06-30	Certificat de reconstitution
Amendments details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed.	Seuls les renseignements concernant les modifications effectuées après 2010-03-20 sont disponibles. Certains certificats émis avant 2000 pourraient ne pas être listés.	
Documents filed (YYYY-MM-DD)		(AAAA-MM-JJ) Documents déposés

The Corporate Profile sets out the most recent information filed with and accepted by Corporations Canada as of the date and time set out on the Profile.

Le Profil corporatif fait état des renseignements fournis et acceptés par Corporations Canada à la date et à l'heure indiquées dans le profil.

TAB D



RSM Canada Limited
Licensed Insolvency Trustee

11 King St W
Suite 700, Box 27
Toronto, ON M5H 4C7

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

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

In the matter of the receivership of Areacor Inc. (the “**Company**”)

The receiver gives notice and declares that:

1. On the 13th day of January, 2022, the undersigned RSM Canada 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:

Cash	\$1
Land	\$1
Land development and financing costs	<u>\$1</u>
Total	<u>\$3</u>

**The Receiver had not been provided with the Company’s books and records as of the date of this report. Further information regarding the Company’s assets will be disclosed in the Receiver’s next report to Court.*

2. The undersigned became a receiver in respect of the Company 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 13th day of January, 2022.
4. The following information relates to the receivership:
 - a) Registered Head Office of insolvent company: 270 – 2869 Bloor Street West, Etobicoke, Ontario, M8X 1B3.
 - b) Principal line of business: Residential property development.
 - c) The amounts owed by the Company to the creditors who appear to hold a security interest include:

MarshallZehr Group Inc.	\$6,868,803*
Fusioncorp Developments Inc.	\$2,436,675**
City of Hamilton	\$208,756
Aviva Insurance Company of Canada	\$1
Ford Credit Canada Leasing	\$1

** amount owing as at December 19, 2021.*

*** amount owing as at December 10, 2021*

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

- 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 from information available to the Receiver including the books and records of the Company and a search of the Personal Property Security Registration System, 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 current intended plan of the Receiver, to the extent that such a plan has been determined, is to realize on the assets of the Company.

- f) Contact person for the Receiver:

Jeffrey Berger
RSM Canada Limited
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario M5H 4C7
Telephone: (647) 726-0496
Facsimile: (416) 480-2646
E-mail: jeff.berger@rsmcanada.com

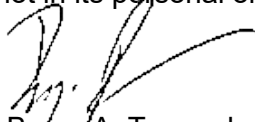
- g) Additional information: A copy of the receivership order is posted on the Receiver's website at:

<http://www.rsmcanada.com/areacor-inc>

Other pertinent public information will be posted to this website as that information becomes available.

Dated at Toronto this 21st day of January, 2022.

RSM CANADA LIMITED, solely in its capacity as Court-appointed Receiver of Areacor Inc.,
and not in its personal or corporate capacity



Per: Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

RSM CANADA LIMITED
In the Matter of the Receivership of Areacor Inc.

MAILING LIST

Creditors who appear to hold a security interest

MarshallZehr Group Inc.	\$ 6,868,803
Fusioncorp Developments Inc.	2,436,675
City of Hamilton	208,756
Aviva Insurance Company of Canada	1
Ford Credit Canada Leasing	1
Total	<u>\$ 9,514,236</u>

Other Creditors

A.T. McLaren Limited	\$ 3,709
Abdulwassie Behran	1,102
Aird & Berlis LLP	29,811
Alectra Utilities	181
Canadian Insurance Brokers Inc.	3,354
City of Hamilton - Development Charges	208,756
City of Hamilton - Property Taxes	126,386
Glynn Group Incorporated	7,702
Hamilton Municipal Parking System	36,708
Harris Sheaffer LLP	19,397
Lintack Architects Incorporated	16,975
Pretium	2,023
SimpsonWigle Law LLP	19,721
Sunbelt Rentals	195
Terraprobe	4,574
Westmount Guarantee	3,788
Total	<u>\$ 484,381</u>

RSM CANADA LIMITED
In the Matter of the Receivership of Areacor Inc.

MAILING LIST

Supplementary

Canada Revenue Agency

Ministry of Finance (Ontario)

City of Hamilton - Revenue Services

Office of the Superintendent of Bankruptcy

TAB E

Recipients:

Andrew Robinson - Lintack Architects Inc.
Roger Altobelli - The GeoFocus Group

Regarding: Jamesville Lofts – 15 Cannon Street West, Hamilton, L8R 2B2
Project Identification Number: CEC-17-1443

Dear Sirs:

Centric Engineering Corporation (CEC) participated in a site walk-thru at the above-noted project site on the afternoon of Monday, November 15th, 2021. During the site meeting, CEC received a hard copy of the *Location of Column* survey, prepared by Ashenurst Nouwens & Associates Inc., dated June 11, 2021. The survey results were previously requested by our office in Site Report 07, Item 01. Our office also received on November 11th, 2021, via email, a *Slab Edge* survey prepared by Ashenurst Nouwens & Associates Inc., dated August 14th, 2021.

Our office has completed a preliminary review of the surveys and has noted in several locations that the concrete piers and structural steel columns appear to be off-gridline (out of plumb and/or translated), exceeding allowable tolerances in CSA A23.3, CSA S16, and the general project specifications outlined in the construction documents. Discrepancies in the edge-of-slab position have also been noted in multiple locations. Our office has begun an analysis of the structural steel framing, exclusive of steel connections, as per the provided *Column Location* survey. This analysis is being undertaken to determine the locations and magnitudes of unintended stresses induced on the structural steel framing by the construction exceeding acceptable tolerances, and the effect these stresses have on the framing design.

Until such time that our office has completed our analysis and determined the as-built structural steel framing to be sound/safe, no activity should occur on the project site. We recommended that the owner block off all access to the building and post signs warning people not to enter the impugned areas. Once our analysis is complete, our office will issue a statement indicating our findings and necessary steps forward.

Our office will strive to complete our review promptly, but it should be understood that the required analysis will take time. Reviews and approvals will be required for structural items outside our scope (i.e. – steel connections, hollowcore installation).

Based on observations made during the above-noted site walk-thru, several existing deficiencies remain outstanding from previous reports issued by our office and by other parties.

Our office understands the current project objectives to be as follows:

- To document the as-built condition of the structure as of November 15th, 2021
- To resolve outstanding construction deficiencies
- To analyze the new information presented by the provided surveys and resolve any deficiencies resulting from this analysis
- To resolve new deficiencies identified by all project parties in their forthcoming inspection/analysis reports

As the engineer of record, our office will assist in the coordination of the work necessary to meet these objectives, but it should be understood that as the engineer of record our office is limited to general reviews of construction only, with our site reports limited to identifying deficiencies noted during our general reviews on-site. As such, other appropriate parties and their engineers will need to be engaged to provide the necessary approvals and information needed to meet these objectives. Appended to this letter is a list of parties and the required reports/efforts that will be needed from each. This list may not be exhaustive and is intended to serve only as a baseline for the works required and for understanding the delineation of scopes.

If any party requires site access to complete the work requested of them, access is **not to be granted** until our office has completed our analysis of the as-built steel framing as per the survey, as noted above.

This letter is intended to guide the project team as we work together to resolve the noted issues and complete the project. If you feel there are any errors or omissions in the contents of this letter, or it does not align with your understanding of the required work, please contact our office and we can amend as needed.

Respectfully Submitted,

Centric Engineering Corporation



Myles Swift, P.Eng.
Manager of Engineering
ICI & SP

2021-11-17

Appendices

Below is a list of the required submittals necessary to meet the project's current objectives. This list may not be exhaustive and is subject to change as work proceeds.

Party	Item Required	Notes
Centric Engineering	Site Report 08	<ul style="list-style-type: none"> Will include deficiencies noted during the general review of construction completed on Nov 15, 2021. Reference will be made to any outstanding deficiencies from previous reports
	Analysis of Surveys	<ul style="list-style-type: none"> Ongoing. CEC will issue a statement once the analysis is complete indicating results and required next steps
	Review of reports by others	<ul style="list-style-type: none"> CEC to complete general review of inspection reports and information provided by others to ensure all necessary information has been acquired. This item should also be completed by Prime Consultant and General Contractor
Steel Inspector (Terraprobe)	Up-to-date Steel Inspection Report	<ul style="list-style-type: none"> Report to consider/comment on serviceability issues resulting from the project site remaining inactive since July/August (i.e. – rusting of steel framing and connections, etc.). Report to consider survey results (connection modifications, out-of-plumbness, etc.).
	Concrete Reinforcement Report	<ul style="list-style-type: none"> Report to consider/comment on serviceability issues resulting from the project site remaining inactive since July/August (i.e. – rebar rusting, etc.).
Hollowcore Supplier (Coreslab)	Up-to-date Inspection Report for Hollowcore Panels	<ul style="list-style-type: none"> Report to consider/comment on serviceability issues resulting from the project site remaining inactive since July/August (i.e. - water infiltration into panels, rusting, etc.). Report to consider survey results (i.e. - panel bearing, on-site modifications, etc.)
Steel Fabricator / Erector (Kent Metals)	Comment on Erection Process	<ul style="list-style-type: none"> Given the survey results, provide comment pertaining to on-site assembly and modifications of steel during construction, as required
	Sign-Off by Connection Engineer	<ul style="list-style-type: none"> Where site-modification of connections has occurred, connection engineer to provide sealed details & sign-off of modified connection Connection engineer to provide comment / sign-off on steel connections where requested by other parties in their inspection/review reports

TAB F



PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
 Building Division
 71 Main Street West
 Hamilton, Ontario, Canada, L8P 4Y5
 Phone: 905.546.2720 Fax: 905.546.2764
www.hamilton.ca BCIN: 16645

Order to Comply

Pursuant to Subsection 15.9(4) of the *Building Code Act, 1992*

Order Number: 21-164457-00 EN

Date Order Issued:
 December 09, 2021

Address to which Order applies:
 11 CANNON ST. W HAMILTON

Application/Permit Number:
 2018 129017 000 00 R3

Order issued to:

AREACOR INC
 270-2869 Bloor Street West
 Etobicoke, Ontario
 M8X 1B3

AREACOR INC.
 270-3044 Bloor Street West
 Toronto, Ontario
 M8X 1C4

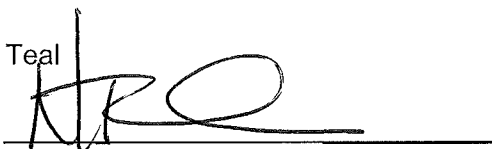
AREACOR INC., c/o Ronnie Kyana
 4 Royaleigh Avenue
 Etobicoke, Ontario
 M9P 2J5

The inspection on or about December 09, 2021 at the above-referenced address found the following contravention(s) of the Building Code or the *Building Code Act, 1992*.

You are hereby ordered to correct the contraventions itemized below IMMEDIATELY

Item	Reference	Description and location	Required action and compliance date
1.	Subsection 15.9-(2) of the Building Code Act, 1992	Centric Engineering has issued a report dated November 17, 2021 advising that structural steel framing for the partially constructed 7-storey building at 11 - 15 Cannon St W may be a) structurally inadequate or faulty, and may be b) in a condition that could be hazardous to the health or safety of persons outside the building or persons whose access to the building has not been reasonably prevented causing the structure to be unsafe.	1. Immediately block off all access to the building and post signs warning people not to enter area, and 2. By January 28, 2022, provide a Professional Engineer statement indication their findings and necessary steps as indicated in Centric Engineering's November 17, 2021 letter (attached)

Order issued by: REGISTERED MAIL & POSTED ON SITE

Name: Natalie Teal
 Signature: 

BCIN: 15092

Telephone No.: 905.546.2424 ext. 3979

Note:

- It is illegal to obstruct the visibility of a posted Order. It is also illegal to remove a posted Order unless authorized by an inspector or Registered Code Agency. [*Building Code Act, 1992 s. 20*]
- An Order may be appealed to the Superior Court of Justice. [*Building Code Act, 1992 s. 25*]. It may also be appealed to the Building Code Commission concerning the sufficiency of compliance with the technical requirements of the Building Code. [*Building Code Act, 1992 s. 24*]
- Failure to comply with this Order may result in an Order to prohibit the use or occupancy of the building and the Chief Building Official may cause the building to be renovated, repaired or demolished to remove the unsafe condition.
- Failure to comply with this Order is an offence which could result in a fine. [*Building Code Act, 1992 s.36*]
- No construction affected by this Order is to be covered until inspected and approved. [*Building Code Act, 1992 s.13*]

TAB G

Jamesville Lofts – Structural Remediation Plan – Phase 1 Letter

Client: RSM Canada Limited	Project ID: CEC-17-1443
Project Address: 11 Cannon St W, Hamilton, Ontario	Number of Pages: (6)
Regarding: Structural Remediation Plan, Review of Existing Documentation	Date Issued: 2022/06/06

Attention: Jeffrey Berger, RSM Canada Limited

Scope of Work:

Centric Engineering Corporation (CEC) was retained by RSM Canada Limited (RSM) to review the existing documentation regarding the current state and deficiencies related to the partially constructed structure at 11 Cannon St W in Hamilton, Ontario and to provide a summary of structural deficiencies for the purposes of construction remediation costing. Additionally, CEC will provide direction for additional third-party structural inspection or investigation as required.

Limitations:

In accordance with the scope of work, no physical or intrusive testing was undertaken to determine the condition of the existing structure by CEC. The summary and determinations outlined in this letter are based on the documentation available to CEC at the time of writing and the engineering judgement of CEC. In accordance with standard engineering practice, CEC shall not be responsible for conditions arising from deficiencies not noted.

CEC shall not be responsible for conditions arising from information not provided or fully disclosed to CEC at the time of writing.

This letter was prepared by CEC for the exclusive use of RSM Canada Limited. This letter was written in accordance with the scope of work, direction provided by the client, and generally accepted structural engineering practices. No other warranty, expressed or implied is made. CEC shall not be responsible for use of, reliance on, or decisions or actions made on this letter by any third party.

Project Background:

The structure at 11 Cannon St W in Hamilton, ON was designed as a six-storey building with one level of underground to be used as below grade parking. The design utilized a combination of steel framing, poured in place concrete and hollowcore precast concrete floors. Drawings and specifications were issued by CEC for the purposes of obtaining a building permit on August 3, 2018. Drawing and specification were issued by CEC for construction on July 22, 2019.

During the course of construction of the above project, personnel from CEC carried out periodic site reviews of structural work in accordance with the requirements of Division C, subdivision 1.2.2 of the Ontario Building Code and the requirements of section 2 of Ontario Regulation 260/08, made under the Professional Engineers Act, 1990, as amended. These reviews were conducted following the procedures described in the Professional Engineers Ontario Guideline for Professional Engineers Providing General Review of Construction as required by the Ontario Building Code. A total of eight site reviews of structural work were carried out between the period from December 24, 2019 and November 11, 2021.

As early in the construction process as concrete foundation pours, CEC observed and noted a number of workmanship, dimensional and locating issues with the structure. Refer to Site Review Reports SR-01 to SR-08, inclusive, for noted deficiencies and observations. All deficiencies and observations were discussed with the relevant parties, including the Owner, Contractor, and Architect, and follow-up remedial instructions were issued as appropriate. It should be noted that surveying, locating, verifying building dimensions are not in the scope of the Structural Engineering Consultant.

Sometime in the summer of 2021, structural construction activities ceased. From then, construction activities on the site have not resumed and, at the time of writing this letter, foundations appear complete, structural steel has been erected up to and including the fifth-floor level, and hollowcore precast concrete floor slabs have been placed up to and including the fourth-floor level. In the Winter of 2021, upon receipt of two building location surveys, CEC issued a letter to the Owner strongly recommending the site have access limited to inspection services and weatherization mitigation only. The Building Department at the City of Hamilton then issued a stop work/restricted access order to the Owner.

Building Surveys:

To the knowledge of CEC, three surveys have been conducted of the structure at the above referenced address:

- *As Built Foundation Survey* by A.T. McLaren Limited – May 29, 2020
- *Location of Column Survey* by Ashenhurst Nouwens & Associates Inc. – June 11, 2021
- *Slab Edge Survey* by Ashenhurst Nouwens & Associates Inc. – July 19, 2021

The two surveys conducted by Ashenhurst Nouwens & Associates Inc were not received by CEC until November of 2021.

Upon review of the available surveys of the structure, CEC can make the following determinations:

- Multiple concrete piers are constructed off gridline (translated), ranging from -20mm to +154mm.
- Multiple structural steel columns are off gridline (out of plumb and/or translated), ranging from -127mm to +228mm.
- The noted dimensional discrepancies exceed construction tolerances outlined in *CSA A23.3 - Design of Concrete Structures* and *CSA S16 - Limit States Design of Steel Structures*.
- The noted dimensional discrepancies appear to show no correlation between each location, with each location varying in both magnitude and direction (West, East, North, South). There appears to be no obvious pattern or trend in the displacements of the steel columns and concrete piers.

The excessive out of plumb and/or translated steel columns are of particular structural design concern. An absolute value discrepancy of 355mm between locations, in the opinion of CEC, would seem to indicate a large number of on-site modifications of the structural steel during erection and/or non-conformance to the approved structural steel shop drawings during fabrication.

As it relates to the available surveys of the structure, CEC recommends the following actions:

- Engineering analysis and detailing to understand the structural impact of column out of plumb and/or translation. Refer to Phase 2 of Remediation Plan below for further details.
- Based on the opinion that extensive on-site modification and/or fabrication non-conformances occurred, retaining an Engineer specializing in steel connection design to inspect and analyze all structural steel connections. Refer to Phase 2 of Remediation Plan below for further details.

Input will be required by the Project Architect with regard to the translated positions of the building envelope and columns at each level. The Project Architect may comment on the following:

- Encroachment of the as-built structure on property lines, setbacks, easements, etc.
- Encroachment of the as-built concrete columns on minimum clearances of the driving aisle in the basement parking area.
- Affect of above grade column positions on permit issued architectural layouts.
- Other items as deemed relevant by the Project Architect.

Structural General Review Report and Supplementary Instructions by CEC:

When construction of the project was active (late 2019 to mid 2021), CEC conducted period site reviews for the purposes of review of general conformance to the structural permit drawings and specifications.

The most current Site Review Report by CEC (SR-08 issued November 25, 2021) summarizes outstanding structural deficiencies. The deficiencies listed below require no further Engineering action and are ready to be costed and/or rectified. Further detail can be found in SR-08.

- 05.02 - C3 Column located at gridline E/9 does not have solid grout below column baseplate.
- 06.01 - Main Floor Framing, Bs-3 steel beam adjacent to gridline D is bearing on foundation wall above a shoring cavity.
- 06.03 - Main Floor Framing, slab grout joint above Bs-3 within gridlines E/D/4/6 has not been filled solid.
- 06.07 - Steel shelf angle installation has not been completed at elevator/stair shafts at multiple locations.
- 06.11 - The gap between concrete shaft walls and the precast concrete stairs/landings on all sides is to be grouted solid with non-shrink grout.
- 06.16 - Minor damage, honeycombing, and cracking in the concrete works were noted in multiple locations is to be repaired.
- 07.07 - HSS ledge at top of the East car lift wall has been notched. HSS to be reinforced or replaced at the direction of the steel fabricator's Engineer.
- 07.08 - Rebar dowels from steel beam top flanges, grouted into precast slabs, were observed as missing in multiple locations. Dowels to be installed per section details on Structural Drawings S5.2, S5.3 and S5.4.
- 07.09 - Main Floor Framing, WPI wall plate supporting the precast hanger framing the electrical chase was not installed.

Additional to the deficiencies noted, SR-08 also detailed work that remains outstanding as part of structural site instructions issued to the Contractor, Owner and Project Architect. The instructions listed below require no further Engineering action and are ready to be costed and/or rectified. Further detail can be found within the referenced Structural Site Instructions.

- Si-19-1.1 - Diaphragm connection at top of car lift.
- Si-19-1.3 - Connection details at braced bay baseplates.
- Si-19-1.4 - Verification of steel-to-steel connection at gridlines E/10.
- Si-22-1.1 - Foundation upturn / ledge remediation.
- Si-23-1.1 - Acoustic isolation slab - rooftop mechanical units. (Requires confirmation from precast concrete designer/supplier)
- Si-24-0.0 - All items.

The lists of deficiencies and outstanding site instruction works may not be exhaustive and is based solely on general reviews of construction carried out by CEC.

Structural Steel Inspection Report:

In a letter dated December 9, 2021 issued by CEC to the project Owner and Architect, CEC directed that an inspection of the erected structural steel must be completed. CEC's direction included that a full inspection (not by random sample) be completed. Typically, a steel inspection report will comment on erected steel plumbness, quantity of bolts and bolt tightness, and field weld quality. In addition to standard steel inspection criteria, CEC instructed that this inspection was to identify and comment on locations where steel connection modifications had been made during erection,

identify and comment on locations where steel framing/connections deviated from the approved structural steel shop drawings and comment on the condition of the steel given it had been left unattended from Summer 2021 and exposed to the elements.

Terraprobe Inc. was retained by RSM to conduct a structural steel inspection and provide an inspection report. The inspection by Terraprobe Inc. was carried out on March 2, 3 and 18, 2022 and the report was completed on April 25, 2022.

Contrary to CEC's instruction, the report by Terraprobe Inc. included comments on only the standard steel inspection offering (steel plumbness, quantity of bolts, bolt tightness, and field weld quality) and was completed on a random sampling basis. The report did not include comment on the serviceability condition of the steel.

The steel inspection report notes a high number of steel columns observed to be out of plumb, which is consistent with the finding of the column location survey.

The following is a summary of CEC's recommended required works based on the inspection report by Terraprobe Inc.:

- Replacement of all galvanized bolt components with the appropriate ASTM A325 black bolt assembly. Refer to steel inspection report for observed locations.
- Check/tightening of all bolts in all connections either snug tight or tensioned as appropriate for the connection type.
- Remedial work to and retesting of the field welds on Line M/12 from levels three to five as noted in the steel inspection report.
- Removal and resupply/installation of all precast support shelf angles and associated anchors given the inconsistent anchor installation and varying precast slab bearing conditions. This item will need to be reviewed by CEC as part of the Phase 2 analysis and an alternate detail may be necessary.
- An additional inspection is to be conducted with a scope consistent with the instruction provided by CEC in the December 9, 2021 letter referenced above.

Hollowcore Precast Concrete Slabs Review Report:

In a letter dated December 9, 2021 issued by CEC to the project Owner and Architect, CEC directed that an inspection of the installed hollowcore precast concrete slabs and associated grout and connections must be completed.

Coreslab Structures Inc. was retained by RSM to conduct a hollowcore precast slab inspection and provide an inspection report. It appears that Coreslab Structures Inc. retained a consulting firm specializing in hollowcore precast concrete slabs, Precast Design Solutions Inc., to conduct the inspection and report. Precast Design Solutions Inc. conducted the site inspection and provided a report April 25, 2022.

The inspection report notes that "all precast slabs were in good shape... All of the slab joints were grouted as well.". According to the report, there appears to be no structural concerns with the slabs themselves.

The report provides comment on an apparent torsion/twist in the shored steel beams along lines N and E. It is the opinion of CEC that the cause of the torsion/twist is related to the excessive misalignment of the steel members during erection detailed in the above 'Building Surveys' section. Any reference to the cause of the torsion/twist made within the report by Precast Design Solutions Inc. appears to be based on visual review only and should be disregarded.

The report also provides comment on the poor installation quality of the precast support shelf angles and anchorage. Refer to CEC's recommended remediation works in the above 'Structural Steel Inspection Report' section for action relating to this item.

The following is a summary of CEC's recommended required works based on the inspection report by Precast Design Solutions Inc.:

- Provide additional support for precast slabs at all through column and pier locations similar to Section Details 7 and 8 on Structural Drawing S5.4R noted as deficient in the precast slab report.
- Weld all dowels to supporting beams where noted deficient in the precast slab report.
- Infill all slab penetrations where noted deficient in the precast slab report.
- Drypack with non-shrink grout all slab bearing conditions where noted deficient in the precast slab report.
- At all recessed steel beams, grout filled areas as shown in the Structural Documents is critical. Drill test holes at 2 foot intervals in all locations at all levels to ensure proper grout placement.

Engineering Analysis and Detailing Required in Phase 2 of Remediation Plan:

If RSM desires to continue with the Structural Remediation Plan, further Engineering analysis and detailing will be required to be conducted for the purposes of construction remediation costing.

A preliminary analysis was conducted by CEC in November 2021 with the intent to achieve a first-pass understanding of the structural design implications of the as-erected, out-of-tolerance steel structure. CEC was able to deduce that a number of steel columns will become overstressed under full design loading due to excessive erection eccentricity causing unintended bending moments, thus requiring reinforcement or some other strengthening means. At the time of preliminary analysis, it was only determined that some form of reinforcement or replacement was required and not the extents of reinforcement nor the magnitude of overstresses.

As part of Phase 2 of the Structural Remediation Plan, CEC would conduct Engineering analysis and provide detailing for the purposes of construction remediation costing for the following:

- Analysis of structural steel columns at all locations, all levels, accounting for excessive eccentricity as evidenced by the column location survey.
- Provide instruction for the reinforcement, replacement or supplementary support of overstressed steel columns, if required.
- Analysis of all structural steel based on section loss deterioration as a result of prolonged exterior exposure, if applicable.
- Analysis of cast-in-place foundations at all locations accounting for excessive eccentricity as evidenced by the column location survey and as-built foundation survey.
- Provide instruction for the reinforcement, replacement or supplementary support of overstressed foundations, if required.

While not necessary to begin the analysis work described above, inspections and subsequent reports by third parties will be required prior to finalizing the analyses. Specifically, a steel inspection with comment on the scope of work outlined by Centric. Refer to the above 'Structural Steel Inspection Report' section for further information.

In addition to the analysis to be conducted by CEC, an Engineer specializing in steel connection design will be required to be retained to inspect and analyze all existing structural steel connections, including any on-site modifications made during erection. CEC will provide necessary loading and analysis parameters to the Steel Connection Engineer as required. The steel connection analysis and design are expected to be extensive as there is evidence of on-site connection modification and the

excessive mis-locations detailed within the column location survey would indicate on-site or fabrication modification versus the approved structural steel shop drawings.

As outlined in previous correspondence, access to the project site should be limited to the following works:

- Installation of temporary shoring as required in CEC Site Report 08, and as required in inspection reports by any other consultant/party. Installation of any required shoring must be completed prior to any other on-site activity.
- Completion of additional investigative works required for the building assessment.
- Installation of temporary weatherproofing and protection against the elements.

This letter is intended to guide RSM as to the scope of structural remedial work required before construction activities can again progress at the building site at 11 Cannon St W, Hamilton, Ontario. If you feel there are any errors or omissions in the contents of this letter, or it does not align with your understanding of the required remedial work, please contact our office.

End of Structural Remediation Plan - Phase 1 Letter

Respectfully submitted,

Centric Engineering Corporation



Justin Diotte, P.Eng.
Senior Structural Engineer



Centric Engineering Corporation



Myles Swift, P.Eng.
Manager of Engineering



TAB H



RSM Canada Limited
Licensed Insolvency Trustee

11 King St W
Suite 700, Box 27
Toronto, ON M5H 4C7

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

March 31, 2022

Sent via Email: [REDACTED]

Dear [REDACTED]

IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP OF AREACOR INC.

On January 13, 2022, the Ontario Superior Court of Justice (the “**Court**”) issued an Order (the “**Appointment Order**”), appointing RSM Canada Limited as receiver (the “**Receiver**”) of all of the assets, undertakings and properties of Areacor Inc. (“**Areacor**”). Information and documentation with respect to the receivership proceedings, including a copy of the Appointment Order, can be found on the Receiver’s web page at the following address: <http://www.rsmcanada.com/areacor-inc>

We understand that you executed an agreement of purchase and sale with Areacor (“**APS**”), to purchase unit [REDACTED] at 11-15 Cannon St. West, Hamilton, Ontario (the “**Property**”).

Status of Project

The Receiver intends to market the Property for sale. During the sales process, prospective purchasers may advise the Receiver whether they intend to (i) proceed with the project as proposed by Areacor, or (ii) develop an entirely different project on the Property.

At this time, your APS has not been terminated or adopted by the Receiver, and will remain in force until such time as the APS is terminated by Court order, or your purchase transaction is completed by a prospective purchaser of the Property who assumes the APS.

The deposits and upgrade charges which you paid to Areacor continue to be held by Harris, Shaeffer LLP, or insurance/security is in place. No deposits or upgrade charges will be released at this time.

In the event that the APS is terminated by Court order, we will contact you with instructions regarding the process for the return of your deposits and upgrade charges.

In the event you are looking for additional information, please check the aforementioned web page for periodic updates regarding the receivership proceedings.

Should you have any questions, please contact Jeffrey Berger of the Receiver’s office at (647) 726-0496 or jeff.berger@rsmcanada.com.

Yours truly,

RSM CANADA LIMITED, solely in its capacity as
Court-appointed Receiver of Areacor Inc.,
and not in its personal or corporate capacity

Per: Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

TAB I



July 11, 2022

RSM Canada Limited
Licensed Insolvency Trustee

11 King St W
Suite 700, Box 27
Toronto, ON M5H 4C7

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

Sent via Email [REDACTED]

Dear [REDACTED]

IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP OF AREACOR INC.

We are writing to provide an update on the sale process for 11-15 Cannon St. West, Hamilton, Ontario (the "**Property**"). As you are aware, the Receiver conducted a sale process with respect to the Property throughout April and May, 2022. The Receiver is currently in negotiation with a prospective purchaser to finalize an agreement of purchase and sale for the Property (the "**Transaction**"), subject to Court approval.

Once an agreement has been finalized, the Receiver will issue a report to the Court setting out, among other things, the details of the sale process and the next steps for purchasers of units to take with respect to their deposits. All purchasers will be notified when the Receiver files a motion with the Court to approve the Transaction, and we encourage you to monitor the Receiver's web page (www.rsmcanada.com/areacor-inc) for further updates.

Should you have any questions in the interim, please contact Jeffrey Berger of the Receiver's office at (647) 726-0496 or jeff.berger@rsmcanada.com.

Yours truly,

RSM CANADA LIMITED, solely in its capacity as
Court-appointed Receiver of Areacor Inc.,
and not in its personal or corporate capacity

Per: Jeffrey Berger, CPA, CA, CIRP, LIT
Vice-President

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

TAB J

LAND
REGISTRY
OFFICE #62

17586-0153 (LT)

PREPARED FOR Shannon1
ON 2022/09/07 AT 16:00:47

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

PROPERTY DESCRIPTION: PART OF LOT 13, BLOCK 6 PLAN 39, PART 1 ON 62R21575; SUBJECT TO AN EASEMENT AS IN WE1493193; CITY OF HAMILTON

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2020/11/25.

ESTATE/QUALIFIER: RECENTLY:
FEE SIMPLE RE-ENTRY FROM 17586-0152
LT ABSOLUTE PLUS

PIN CREATION DATE:
2020/11/25

OWNERS' NAMES CAPACITY SHARE
AREACOR INC.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2020/11/25 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
WE1132144	2016/07/07	TRANSFER	\$285,000	COOK, ARTHUR TERRANCE	AREACOR INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
WE1185398	2017/02/10	TRANSFER		KILYANA, RONI	KILYANA, RONI AREACOR INC.	C
WE1252218	2017/11/23	CHARGE	\$3,500,000	AREACOR INC. GILYANA, RONI	AVIVA INSURANCE COMPANY OF CANADA	C
WE1293837	2018/06/29	CHARGE	\$12,000,000	GILYANA, RONI AREACOR INC.	MARSHALLZEHR GROUP INC.	C
WE1293838	2018/06/29	NO ASSGN RENT GEN		GILYANA, RONI AREACOR INC.	MARSHALLZEHR GROUP INC.	C
REMARKS: WE1293837						
WE1293839	2018/06/29	NO ASSGN RENT GEN		AREACOR INC.	MARSHALLZEHR GROUP INC.	C
REMARKS: WE1293837						
WE1293840	2018/06/29	RESTRICTION-LAND		GILYANA, RONI AREACOR INC.		C
REMARKS: NO CHARGE OF SUCH LANDS WITHOUT THE CONSENT OF MARSHALLZEHR GROUP INC.						
WE1293841	2018/06/29	RESTRICTION-LAND		AREACOR INC.		C
REMARKS: NO CHARGE OF SUCH LANDS WITHOUT THE CONSENT OF MARSHALLZEHR GROUP INC.						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #62

17586-0153 (LT)

PREPARED FOR Shannon1
ON 2022/09/07 AT 16:00:47

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
WE1294556	2018/07/05	POSTPONEMENT <i>REMARKS: WE1252218 TO WE1293840</i>		AVIVA INSURANCE COMPANY OF CANADA	MARSHALLZEHR GROUP INC.	C
WE1303020	2018/08/16	TRANSFER <i>REMARKS: THE CONSENT OF MARSHALLZEHR GROUP INC. HAS BEEN OBTAINED</i>	\$305,350	GILYANA, RONI	AREACOR INC.	C
WE1329678	2018/12/24	NOTICE	\$2	AREACOR INC.	CITY OF HAMILTON	C
WE1344993	2019/03/22	NOTICE	\$2	AREACOR INC.	MARSHALLZEHR GROUP INC.	C
WE1351712	2019/04/30	CHARGE	\$208,756	AREACOR INC.	CITY OF HAMILTON	C
WE1375037	2019/08/19	APL CONSOLIDATE		AREACOR INC. AREACOR INC.		C
WE1465827	2020/10/30	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** 2236313 ONTARIO INC.		
62R21575	2020/11/25	PLAN REFERENCE				C
WE1472027	2020/11/25	APL ABSOLUTE TITLE <i>REMARKS: WE1441385</i>		AREACOR INC.		C
WE1477942	2020/12/17	CERTIFICATE <i>REMARKS: CERTIFICATE OF ACTION WE1465827</i>		*** COMPLETELY DELETED *** 2236313 ONTARIO INC.		
WE1482116	2021/01/08	APL DEL CONST LIEN <i>REMARKS: WE1465827.</i>		*** COMPLETELY DELETED *** FUSIONCORP DEVELOPMENTS INC.		
WE1493193	2021/02/25	TRANSFER EASEMENT	\$2	AREACOR INC.	BELL CANADA	C
WE1493194	2021/02/25	POSTPONEMENT <i>REMARKS: WE1252218 TO WE1493193</i>		AVIVA INSURANCE COMPANY OF CANADA	BELL CANADA	C
WE1493195	2021/02/25	POSTPONEMENT <i>REMARKS: WE1293837 TO WE1493193</i>		MARSHALLZEHR GROUP INC.	BELL CANADA	C
WE1567387	2021/12/10	CONSTRUCTION LIEN	\$2,436,674	FUSIONCORP DEVELOPMENTS INC.		C
WE1570556	2021/12/21	CERTIFICATE		FUSIONCORP DEVELOPMENTS INC.	AREACOR INC. MARSHALLZEHR GROUP INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #62

17586-0153 (LT)

PREPARED FOR Shannon1
ON 2022/09/07 AT 16:00:47

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
WE1574019	2022/01/11	CONSTRUCTION LIEN	\$176,618	DEMAND ELECTRIC INC.	AVIVA INSURANCE COMPANY OF CANADA/AVIVA, COMPAGNIE D'ASSURANCE DU CANADA CITY OF HAMILTON ALSO KNOWN AS THE CORPORATION OF THE CITY OF HAMILTON	C
WE1575349	2022/01/17	CERTIFICATE		DEMAND ELECTRIC INC.		C
<i>REMARKS: CERTIFICATE OF ACTION WE1574019</i>						
WE1577044	2022/01/21	APL COURT ORDER		SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	RSM CANADA LIMITED	C
WE1578689	2022/01/28	CONSTRUCTION LIEN	\$88,692	EARL O'NEIL ELECTRIC SUPPLY LIMITED		C
WE1590029	2022/03/14	CONSTRUCTION LIEN	\$52,545	NORTHSTAR SCAFFOLD (ONTARIO) INC.		C
WE1614092	2022/06/17	CERTIFICATE		EARL O'NEIL ELECTRIC SUPPLY LIMITED		C
<i>REMARKS: WE1578689</i>						

TAB K

**DISCHARGE STATEMENT AT May 31st, 2022**

Prepared on May 26, 2022

Terms: \$11,895,000 First (1st) Mortgage for Construction Loan.
 Facility #1: \$10,445,000 10% per annum
 Facility #2: \$1,450,000 14% per annum

15 Cannon - MZGI 195

11 & 15 Cannon Street West, Hamilton, ON

	<u>Facility 1</u>	<u>Facility 2</u>	<u>Receivership Financing</u>	<u>Total</u>
Principal Amount Outstanding	\$ 5,198,241.00	\$ 1,450,000.00	\$ 250,000.00	\$ 6,898,241.00
Unpaid Monthly Interest	\$ 401,977.67	\$ 159,093.20	\$ 5,575.52	\$ 566,646.39
MarshallZehr Cost Recovery				\$30,202.98
Final Discharge Admin Fee			\$	500.00
Less: Cash held in Trust			-\$	10,000.00
Balance due on May 31st, 2022			\$	7,485,590.37
Per Diem	\$ 1,534.29	\$ 617.19	\$ 71.77	\$ 2,223.25

Payment must be received by 1:00 p.m. May 31, 2022 or per diem interest will be added up to the next business day.

You are authorized and directed to make the balance due payable to our solicitor; **Chaitons LLP "In Trust"**, OR as they may further direct.

MARSHALLZEHR GROUP INC.

DocuSigned by:

 Per: _____
 Mortgage Administrator #: 11955

E. & O. E.

If Total Payable is not received by the Proposed Settlement Date, then a per diem rate set out above will be charged. This Statement is only valid until June 30, 2022. Please confirm the Total Payable prior to remitting funds. Balances are projected and are based on the assumption that all outstanding amounts/payments due up to the Proposed Settlement Date are paid as set out therein. MarshallZehr Group Inc. will not provide a discharge of the mortgage until the entire outstanding balance, including interest and costs have been paid and honored.

MarshallZehr Group Inc.
 412 Albert Street, Suite 100, Waterloo ON, N2L 3V3

TAB L

April 1, 2022
File No. 26821-0001

VIA EMAIL (Bryan.Tannenbaum@rsmcanada.com)

RSM Canada Limited
11 King St W #700,
Toronto, ON, M5H 4C7

Attn: Bryan Tannenbaum

Dear Mr. Tannenbaum,

Re: Review of security granted by Areacor Inc. (the “Company”) to MarshallZehr Group Inc. (the “Lender”)

At your request, we have reviewed the security granted by the Company to the Lender in connection with certain funds that we understand were advanced by the Lender to the Company pursuant to a commitment letter dated May 15, 2018, and further evidenced by a mortgage registered June 29, 2018. We undertake the analysis herein with a view to forming an opinion as to the enforceability of the security as against the real property subject to the aforementioned mortgage and the Company’s personal property situate in Ontario.

This report is provided solely for the benefit of RSM Canada Limited., in its capacity as court-appointed receiver of the Company, appointed by the Lender (in such capacity, the “**Receiver**”), and may not be used or relied upon by any other person or for any other purpose without our prior express written consent.

The Loan Agreement

We have reviewed a copy of a commitment letter dated May 15, 2018 made by and between the Company, as borrower, and the Lender, as lender, as amended from time to time (the “**Loan Agreement**”), which we have assumed to be a true copy of the same.

Pursuant to the Loan Agreement, the Lender agreed to loan the Company funds to assist with the purchase of the 11 and 15 Cannon Street West, Hamilton, Ontario (collectively, the “**Real Property**”). The initial financing was to be for \$1,500,000 plus costs, to be applied to pay out the existing first mortgage of approximately \$1,213,000, the Lender’s fee of approximately \$257,000, and the Lender’s administrative and legal costs of approximately \$30,000. The Loan Agreement provides that this financing would bear interest at a rate of 10% per annum, payable monthly with interest only payments made from Borrower Draws (as defined within the Loan Agreement) up to the budgeted amount, after which payments were to be made from the Borrower and/or the Guarantor’s own resources. The Loan Agreement further provides that the maximum amount available thereunder is \$10,445,000. The “budgeted amount,” based on the Loan Agreement, is based on the Project budget prepared by the Lender’s Quantity Surveyor satisfactory to the Lender. The Project Budget is defined as being available within 90 days prior

to the end of each Fiscal Year a Project Budget for the immediately following two Fiscal Years for the Project. The Project is defined as the lands and premises described as 11 and 15 Cannon Street West.

The Loan Agreement provides that, as security for the loan, *inter alia*, a first mortgage was to be registered on title to the Real Property in the amount of \$12,000,000. The Loan Agreement also provides for the registration of a mortgage on the guarantor's primary residence. However, this mortgage against the guarantor's residence is not considered herein.

Pursuant to the Loan Agreement, the loan term was 19 months, commencing on the first of the month following the initial advance. We understand the advance occurred on or about June 29, 2018 (the date the mortgage was registered) and, accordingly, the maturity date of the loan term was initially February 1, 2020. In December 2019, the Lender agreed to extend it the maturity date to September 1, 2021.

The Loan Agreement appears to have been executed by Roni Gilyana, who is identified as President of the Company and as the "**Guarantor**" of the financing, and Murray Snedden, who is identified as Chief Financial Officer of the Lender. We have assumed that the Loan Agreement has been executed by the appropriate persons, within the scope of their authority and that it represents a valid and subsisting obligation of the Company to the Lender. We have also assumed that, as per the Loan Agreement, value has been advanced by the Lender to the Company as contemplated thereby.

*NOTE re: Deficiency Agreement - We have reviewed a Deficiency and Completion Agreement dated June 25, 2018 made by and between the Company and Roni Gilyana, as borrower, and the Lender, as lender (the "**Deficiency Agreement**"), which we have assumed to be a true copy of the same.*

Pursuant to the Deficiency Agreement, inter alia, the borrower is to undertake the development of the Project in accordance with the plans, specifications, etc. approved by the Lender and to pay from their own resources any Cost Overruns, as defined in the Deficient Agreement but meaning, generally, costs exceeding the budget approved by the Lender. Under the Deficiency Agreement, where the borrower fails to pay Cost Overruns, the Lender may choose to do so and, in such case, any amounts paid by the Lender become immediately due and payable by the borrower to the Lender, accruing interest at the rate under the Loan Agreement.

The Deficient Agreement appears to have been executed by Roni Gilyana, who is identified as President of the Company and in his personal capacity. We have assumed that the Deficiency Agreement has been executed by the appropriate persons, within the scope of their authority and that it represents a valid and subsisting obligation of the Company to the Lender.

We are unsure if the Lender issued any payments under the Deficiency Agreement; however, if any such amounts have been advanced, such amounts would form

indebtedness owed to the Lender, secured by the Security discussed below. In such case, the term "Loan Agreement" used hereinafter shall include the Deficiency Agreement.

Security

As security for the Company's obligations to the Lender, the Company provided the Lender with (a) a security agreement executed June 25, 2018 (the "**General Security Agreement**") (b) a charge/mortgage dated June 29, 2018 (the "**Mortgage**") on the Real Property, and (c) a Priority Agreement dated June 28, 2018.

A. General Security Agreement

We have reviewed a copy of the General Security Agreement (*as included in the Lender's application to appoint RSM Canada Limited as Receiver*), which we have assumed to be a true copy of the same.

Pursuant to the General Security Agreement, specifically at sections 1 and 2, as general and continuing collateral security for the due payment and performance of the liabilities, which is stated to include all present and future indebtedness, liabilities and obligations of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Creditor, wherever and however incurred, and any unpaid balance thereof), the Company mortgaged, charged and assigned to the Lender, and granted to the Lender a security interest in the Collateral which is defined in the General Security Agreement as follows:

"all of the present and future undertaking, Personal Property (including any Personal Property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement) and real property (including any real property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement and including all fixtures and all buildings placed, installed or erected from time to time on any such real property) of the Debtor (including all such property at any time owned, leased or licensed by the Debtor, or in which the Debtor at any time has any interest or to which the Debtor is or may at any time become entitled) and all Proceeds thereof, wherever located."

The General Security Agreement appears to be executed by Roni Gilyana, as President, on behalf of the Company. We have assumed that the General Security Agreement has been executed by the appropriate person, within the scope of the authority of such person; and, that the General Security Agreement represents a valid and subsisting obligation of the Company to the Lender.

B. Mortgage

We have reviewed a copy of the Mortgage dated June 29, 2018 (*included in the Lender's application to appoint RSM Canada Limited as Receiver*), which we have assumed to be a true copy of the same. Pursuant to the Mortgage, the Company granted a charge/mortgage on the Real Property, in an amount not to exceed \$12,000,000. The Mortgage secures the Lender's principal and interest loaned to the Company. An agreement amending the charge/mortgage dated March 11, 2019, amended the charge/mortgage by deleting the reference of \$12,000,000 and putting in its place \$13,500,000.

We have assumed that the Charge, and the registration thereof, was authorized by the appropriate person(s), within the scope of the authority of such person(s) and represents a valid and subsisting obligation of the Company to the Lender.

C. Priority Agreement

We have reviewed a priority agreement dated June 28, 2018, (the "**Priority Agreement**"), made between Aviva Insurance Company of Canada ("**Aviva**"), the Surety, and the Lender, as lender, as amended from time to time, which we have assumed to be a true copy of the same.

As per the Priority Agreement, a postponement was registered on title of the Real Property on July 5, 2018. Pursuant to the Priority Agreement, Aviva agreed to postpone its rights under a charge registered as instrument WE1252218 on June 29, 2018 against the Real Property.

The Priority Agreement appears to be executed by Sherri Nicole Lavine who has authority to sign and register the Priority Agreement on behalf of Aviva. We have assumed that the Priority Agreement has been executed by the appropriate person(s), within the scope of the authority of such person(s); and, that the Priority Agreement represents a valid and subsisting agreement between Aviva and the Lender, in favour of the Lender.

Security Searches

A. Personal Property Security

We have obtained and reviewed a search under the *Personal Property Security Act* (Ontario) ("**PPSA**") in respect of the Company, current to March 7, 2022. The search discloses the following registrations in favour of the Lender, summarized as follows:

- a registration in favour of the Lender against "accounts", and "other", registered on June 29, 2018, under file no. 741075111 and registration no. 20180629 0927 1590 3652, expiring on June 29, 2023; and
- a registration in favour of the Lender against "inventory", "equipment", "accounts", "other" and "motor vehicle", registered on June 29, 2018, under file no. 741075111 and registration no. 20180629 0927 1590 3653, expiring on February 17, 2023;

In addition, the search discloses the following registrations in favour of third-parties, which registrations are registered subsequent to the interests registered in favour of the Lender set out above:

- a registration in favour of Aviva Insurance Company of Canada against “accounts” and “other”, generally described as “security interest in those items set out in a deposit trust agreement dated October 17, 2017 with respect to the project known as Jamesville lofts located at 11-15 Cannon Street West, Hamilton”, registered on November 01, 2017, under file no. 733551183 and registration number 20171101 1346 1590 5548, expiring on November 1, 2027; and
- a registration in favour of the Ford Credit Canada Leasing, Division Of Canadian Road Leasing Company against “equipment”, “other”, and “motor vehicle included” without a fixed date of maturity, registered on February 17, 2021, under file no. 769932018 and registration no. 20210217 1359 1532 4862. The motor vehicle description is as follows:
 - Year: 2021
 - Make: Ford
 - Model: F150
 - VIN: 1FTEW1EP7MFA95384.

We have assumed that the information contained in the PPSA search is correct, accurate and complete, and that monies or other consideration were advanced by Lender to the Company such that the Company acquired value from Lender, such that the security interest granted and now held by the Lender attached and is perfected under prevailing laws, and continues to be so registered, attached and perfected as of the date hereof.

A complete copy of the PPSA search is attached hereto as Appendix “A”.

B. Bank Act Search

We have obtained a search certificate issued by the Authorized Section 427 Bank Act Registrar in respect of the Company, dated March 8, 2022, which indicates that “No matches were found” under section 427 of the *Bank Act* (Canada) has been filed in respect of the Company.

A copy of the Bank Act security search is attached hereto collectively as Appendix “B”.

C. Real Property Search

The Real Property, identified as the relevant real property for the purposes of this security review, comprises one parcel of land which has a retirement home erected on it.

We have obtained and reviewed the parcel register in respect of the Real Property, a copy of which is attached hereto as Appendix "C". This search discloses the following registrations in respect of the Lender's interests:

- the Mortgage in the principal amount of \$12,000,000 was registered on title to the Real property on June 29, 2018 under instrument number WE1293837.

In addition to the registrations in respect of the Lender's security interest, the Parcel Register discloses the following registrations in favour of third-parties:

- the Mortgage in the principal amount of \$3,500,000 was registered on title to the Real Property on November 23, 2017 under instrument number WE1252218. A postponement was registered as instrument number WE1294556 which subordinates the mortgage instrument number WE1252218 to instrument number WE1293840 which is an instrument registered after the mortgage registered in favour of the Lender and restricts the registration of charges on lands without the consent of the Lender.
- a charge in favour of the City of Hamilton in the principal amount of \$208,756 was registered on title to the Real Property April 30, 2019 under instrument number WE1351712;
- a construction lien in favour of Fusioncorp Developments Inc. in the principal amount of \$2,436,674 was registered on title to the Real Property on December 10, 2021 under instrument number WE1394885;
- a construction lien in favour of Demand Electric Inc. in the principal amount of \$176,618 was registered on title to the Real Property on December 10, 2021 under instrument number WE1574019;
- a construction lien in favour of Earl O'Neil Electric Supply Limited in the principal amount of \$88,692 was registered on title to the Real Property on January 1, 2022 under instrument number WE1578689; and

We have assumed that the information contained in the title search is correct, accurate and complete, and that the Lender's security interest in the Real Property is validly registered under prevailing laws and continues to be so registered as of the date hereof.

D. Bankruptcy and Insolvency Records Search

We have obtained search results of the Office of the Superintendent of Bankruptcy in respect of the Company, dated March 8, 2022, which reflects only the appointment of RSM Canada Ltd. as receiver on January 13, 2022.

A copy of the Bankruptcy and Insolvency Records Search is attached hereto collectively as Appendix "D".

Assumptions and Qualifications

Specific Assumptions

- We have assumed that the principal amount of the aforementioned indebtedness was advanced by the Lender to the Company in connection with the Loan Agreement; and, to the extent applicable, any amount claimed by the Lender under the Deficiency Agreement was advanced under the same.

Specific Qualifications

- None.

General Assumptions and Qualifications

- In addition to such other assumptions and qualifications set out herein, our review is subject to the general assumptions and qualifications set out in Appendix "E" attached hereto.

Conclusion

Subject to the assumptions and qualifications above and those set out in the Appendix "E" hereto, it is our opinion that the general security interests granted by the Company to the Lender, as it concerns Collateral situated in Ontario and the Real Property, or any proceeds derived therefrom, are valid and enforceable as of the date hereof.

If you require any further assistance or have any questions in respect of the matters discussed herein, please do not hesitate to contact us.

Yours very truly,



LOOPSTRA NIXON LLP

Encl.

APPENDIX "A"
PPSA SEARCH RESULTS

(see attached)

Enquiry Result

File Currency: 07MAR 2022







[Show All Pages](#)

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	AREACOR INC.								
File Currency	07MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	733551183	1	4	1	8	01NOV 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
733551183		001	2		20171101 1346 1590 5548	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	AREACOR INC.								
	Address				City	Province	Postal Code		
	SUITE 270, 3044 BLOOR STREET WEST				TORONTO	ON	M8X 2Y8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	AVIVA INSURANCE COMPANY OF CANADA								
	Address				City	Province	Postal Code		
	C/O SUITE 205, 600 COCHRANE DRIVE				MARKHAM	ON	L3R 5K3		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	SECURITY INTEREST IN THOSE ITEMS SET OUT IN A DEPOSIT TRUST AGREEMENT								
	DATED OCTOBER 17, 2017 WITH RESPECT TO THE PROJECT KNOWN AS								
	JAMESVILLE LOFTS LOCATED AT 11-15 CANNON STREET WEST, HAMILTON,								

Registering Agent	Registering Agent			
	HARRIS SHEAFFER LLP (GHH/LT - MATTER NO. 170929)			
Address	City	Province	Postal Code	
610-4100 YONGE STREET	TORONTO	ON	M2P 2B5	

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	AREACOR INC.						143		
File Currency	07MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	733551183	1	4	2	8	01NOV 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
733551183		002	2		20171101 1346 1590 5548				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	ONTARIO.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	AREACOR INC.								144
File Currency	07MAR 2022								
	File Number	Family	of Families	Page					of Pages
	733551183	1	4	3					8
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	1		20171102 1320 1590 5669				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	733551183		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	AREACOR INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO ADD A DEBTOR								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	23MAR1986	RONI				GILYANA			
	Business Debtor Name								Ontario Corporation Number
	Address				City	Province	Postal Code		
	4 ROYALEIGH AVENUE				TORONTO	ON	M9P 2J5		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model			V.I.N.	
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	HARRIS SHEAFFER LLP (GHH/LT)								

	Address	City	Province	Postal Code
	610-4100 YONGE STREET	TORONTO	ON 145	M2P 2B5

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	AREACOR INC.								146
File Currency	07MAR 2022								
	File Number	Family	of Families	Page					of Pages
	733551183	1	4	4					8
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	1		20171102 1441 1590 5687				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	733551183		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	AREACOR INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO ADD A DEBTOR								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	23MAR1986	RONI				KILYANA			
	Business Debtor Name								Ontario Corporation Number
	Address				City	Province	Postal Code		
	4 ROYALEIGH AVENUE				TORONTO	ON	M9P 2J5		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	HARRIS SHEAFFER LLP (GHH/LT - MATTER 170929)								

	Address	City	Province	Postal Code
	610-4100 YONGE STREET	TORONTO	ON 147	M2P 2B5

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	AREACOR INC.								148
File Currency	07MAR 2022								
	File Number	Family	of Families	Page					of Pages
	733551183	1	4	5					8
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	1		20180501 1343 1590 9081				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	733551183		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	AREACOR INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO CHANGE THE ADDRESS OF ONE OF THE DEBTORS								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	AREACOR INC.								
	Address				City	Province	Postal Code		
	SUITE 270, 2869 BLOOR STREET WEST				TORONTO	ON	M8X 1B3		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	HARRIS SHEAFFER LLP (GHH/LT - MATTER NO. 170929)								

	Address	City	Province	Postal Code
	610-4100 YONGE STREET	TORONTO	ON 149	M2P 2B5

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	AREACOR INC.						150		
File Currency	07MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	741075075	2	4	6	8	29JUN 2023			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
741075075		001	1		20180629 0927 1590 3652	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	AREACOR INC.								
	Address				City	Province	Postal Code		
	270-2869 BLOOR STREET WEST				TORONTO	ON	M8X 1B3		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	23MAR1986	RONI				GILYANA			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	4 ROYALEIGH AVENUE				ETOBICOKE	ON	M9P 2J5		
Secured Party	Secured Party / Lien Claimant								
	MARSHALLZEHR GROUP INC.								
	Address				City	Province	Postal Code		
	465 PHILLIP STREET, SUITE 206				WATERLOO	ON	N2L 6C7		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	CHAITONS LLP / CINDY #42606 - GAR								
	Address				City	Province	Postal Code		
	5000 YONGE STREET, 10TH FLOOR				TORONTO	ON	M2N 7E9		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	AREACOR INC.						151		
File Currency	07MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	741075111	3	4	7	8	29JUN 2023			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
741075111		001	1		20180629 0927 1590 3653	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	AREACOR INC.								
	Address				City	Province	Postal Code		
	270-2869 BLOOR STREET WEST				TORONTO	ON	M8X 1B3		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	23MAR1986	RONI				GILYANA			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	4 ROYALEIGH AVENUE				ETOBICOKE	ON	M9P 2J5		
Secured Party	Secured Party / Lien Claimant								
	MARSHALLZEHR GROUP INC.								
	Address				City	Province	Postal Code		
	465 PHILLIP STREET, SUITE 206				WATERLOO	ON	N2L 6C7		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	CHAITONS LLP / CINDY #42606 - GSA								
	Address				City	Province	Postal Code		
	5000 YONGE STREET, 10TH FLOOR				TORONTO	ON	M2N 7E9		

END OF FAMILY

Type of Search	Business Debtor							152	
Search Conducted On	AREACOR INC.								
File Currency	07MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	769932018	4	4	8	8	17FEB 2023			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
769932018		001	1		20210217 1359 1532 4862	P PPSA	02		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	AREACOR INC.								
	Address				City	Province	Postal Code		
	270-2869 BLOOR STREET WEST				ETOBICOKE	ON	M8X1B3		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	FORD CREDIT CANADA LEASING, DIVISION OF CANADIAN ROAD LEASING COMPANY								
	Address				City	Province	Postal Code		
	PO BOX 2400				EDMONTON	AB	T5J 5C7		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X	X			X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
	2021	FORD			F150	1FTEW1EP7MFA95384			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	D + H LIMITED PARTNERSHIP								
	Address				City	Province	Postal Code		
	2 ROBERT SPECK PARKWAY, 15TH FLOOR				MISSISSAUGA	ON	L4Z 1H8		

LAST PAGE

Note: All pages have been returned.

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APPENDIX "B"
BANK ACT SEARCH
(see attached)

Confirmation Letter / Lettre de confirmation**Teranet Collateral Management Solutions Corporation / Teranet Solutions de gestion des garanties**

Suite 200, 4126 Norland Avenue, Burnaby, BC V5G 3S8

Authorized Section 427 Bank Act Registrar / Bureau d'enregistrement autorisé conformément à l'article 427 de la *Loi sur les banques*.

2022/03/08 06:29:26 AM PST

Dye & Durham Corporation
4610-199 Bay Street
Toronto, Ontario
M5L 1E9

Ref / Objet: 05200376

Tel/Tél: 1-416-964-2677
Fax/Télécopie: 1-416-923-1077
e-Mail/Courriel:

Acct#: 7129

Dear Sir / Madam

Monsieur / Madame

Re: **Bank Act Security - Section 427**Objet: **Garanties données en vertu de la *Loi sur les banques* - article 427**

We have processed your request(s) and hereby confirm the following results: (*see below).

Nous avons donné suite à votre (vos) demande(s) et nous vous faisons part des résultats suivants: (* voir ci-dessous).

REFERENCE(2) A search has been made of the [notices of intention to give security](#) under the Bank Act registered in the province of [Ontario](#). As at the date and time above, our records indicate the following.**REFERENCE**(2) Nous avons examiné [les préavis](#) qui se rapportent aux garanties données en vertu de la *Loi sur les banques* et qui sont enregistrés pour la province de: [Ontario](#). À la date et à l'heure indiquées ci-dessus.**Your search for the company**[AREACOR INC.](#)

returns the following results:

Votre recherche pour la société[AREACOR INC.](#)

révèle les résultats suivants:

Type	Registration Name Enregistrement au nom de	Address Adresse	Date	Number Numéro	Bank Banque
(2)	No matches were found / Aucune donnée correspondante au registre				



For Registrar / Pour le Régistrare

We acknowledge receipt of fees as follows:

Nous accusons réception des droits prescrits dont les montants s'établissent comme suit:

Type	Fee Tarif	GST/HST TPS/TVH	Qty Qté	TOTAL	Receipt No. Numéro du reçu
(2)	\$14.00	\$0.78	1	\$14.78	05200376 - R-R-SN-W
				\$14.78	

GST-HST / TPS-TVH #: **713 901 494 RT0001**

APPENDIX "C"**Description of Real Property and Parcel Register**

PIN: 17586-0153 (LT)
PART OF LOT 13, BLOCK 6 PLAN 39, PART 1 ON 62R21575; SUBJECT TO AN EASEMENT
AS IN WE1493193; CITY OF HAMILTON

LAND
REGISTRY
OFFICE #62

17586-0153 (LT)

PREPARED FOR Shannon1
ON 2022/03/08 AT 14:35:25

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

PROPERTY DESCRIPTION: PART OF LOT 13, BLOCK 6 PLAN 39, PART 1 ON 62R21575; SUBJECT TO AN EASEMENT AS IN WE1493193; CITY OF HAMILTON

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2020/11/25.

ESTATE/QUALIFIER: RECENTLY:
FEE SIMPLE RE-ENTRY FROM 17586-0152
LT ABSOLUTE PLUS

PIN CREATION DATE:
2020/11/25

OWNERS' NAMES CAPACITY SHARE
AREACOR INC.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2020/11/25 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
WE1132144	2016/07/07	TRANSFER	\$285,000	COOK, ARTHUR TERRANCE	AREACOR INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
WE1185398	2017/02/10	TRANSFER		KILYANA, RONI	KILYANA, RONI AREACOR INC.	C
WE1252218	2017/11/23	CHARGE	\$3,500,000	AREACOR INC. GILYANA, RONI	AVIVA INSURANCE COMPANY OF CANADA	C
WE1293837	2018/06/29	CHARGE	\$12,000,000	GILYANA, RONI AREACOR INC.	MARSHALLZEHR GROUP INC.	C
WE1293838	2018/06/29	NO ASSGN RENT GEN		GILYANA, RONI AREACOR INC.	MARSHALLZEHR GROUP INC.	C
REMARKS: WE1293837						
WE1293839	2018/06/29	NO ASSGN RENT GEN		AREACOR INC.	MARSHALLZEHR GROUP INC.	C
REMARKS: WE1293837						
WE1293840	2018/06/29	RESTRICTION-LAND		GILYANA, RONI AREACOR INC.		C
REMARKS: NO CHARGE OF SUCH LANDS WITHOUT THE CONSENT OF MARSHALLZEHR GROUP INC.						
WE1293841	2018/06/29	RESTRICTION-LAND		AREACOR INC.		C
REMARKS: NO CHARGE OF SUCH LANDS WITHOUT THE CONSENT OF MARSHALLZEHR GROUP INC.						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #62

17586-0153 (LT)

PREPARED FOR Shannon1
ON 2022/03/08 AT 14:35:25

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
WE1294556	2018/07/05	POSTPONEMENT <i>REMARKS: WE1252218 TO WE1293840</i>		AVIVA INSURANCE COMPANY OF CANADA	MARSHALLZEHR GROUP INC.	C
WE1303020	2018/08/16	TRANSFER <i>REMARKS: THE CONSENT OF MARSHALLZEHR GROUP INC. HAS BEEN OBTAINED</i>	\$305,350	GILYANA, RONI	AREACOR INC.	C
WE1329678	2018/12/24	NOTICE	\$2	AREACOR INC.	CITY OF HAMILTON	C
WE1344993	2019/03/22	NOTICE	\$2	AREACOR INC.	MARSHALLZEHR GROUP INC.	C
WE1351712	2019/04/30	CHARGE	\$208,756	AREACOR INC.	CITY OF HAMILTON	C
WE1375037	2019/08/19	APL CONSOLIDATE		AREACOR INC. AREACOR INC.		C
WE1465827	2020/10/30	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** 2236313 ONTARIO INC.		
62R21575	2020/11/25	PLAN REFERENCE				C
WE1472027	2020/11/25	APL ABSOLUTE TITLE <i>REMARKS: WE1441385</i>		AREACOR INC.		C
WE1477942	2020/12/17	CERTIFICATE <i>REMARKS: CERTIFICATE OF ACTION WE1465827</i>		*** COMPLETELY DELETED *** 2236313 ONTARIO INC.		
WE1482116	2021/01/08	APL DEL CONST LIEN <i>REMARKS: WE1465827.</i>		*** COMPLETELY DELETED *** FUSIONCORP DEVELOPMENTS INC.		
WE1493193	2021/02/25	TRANSFER EASEMENT	\$2	AREACOR INC.	BELL CANADA	C
WE1493194	2021/02/25	POSTPONEMENT <i>REMARKS: WE1252218 TO WE1493193</i>		AVIVA INSURANCE COMPANY OF CANADA	BELL CANADA	C
WE1493195	2021/02/25	POSTPONEMENT <i>REMARKS: WE1293837 TO WE1493193</i>		MARSHALLZEHR GROUP INC.	BELL CANADA	C
WE1567387	2021/12/10	CONSTRUCTION LIEN	\$2,436,674	FUSIONCORP DEVELOPMENTS INC.		C
WE1570556	2021/12/21	CERTIFICATE		FUSIONCORP DEVELOPMENTS INC.	AREACOR INC. MARSHALLZEHR GROUP INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #62

17586-0153 (LT)

PREPARED FOR Shannon1
ON 2022/03/08 AT 14:35:25

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
WE1574019	2022/01/11	CONSTRUCTION LIEN	\$176,618	DEMAND ELECTRIC INC.	AVIVA INSURANCE COMPANY OF CANADA/AVIVA, COMPAGNIE D'ASSURANCE DU CANADA CITY OF HAMILTON ALSO KNOWN AS THE CORPORATION OF THE CITY OF HAMILTON	C
WE1575349	2022/01/17	CERTIFICATE		DEMAND ELECTRIC INC.		C
	REMARKS: CERTIFICATE OF ACTION WE1574019					
WE1577044	2022/01/21	APL COURT ORDER		SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	RSM CANADA LIMITED	C
WE1578689	2022/01/28	CONSTRUCTION LIEN	\$88,692	EARL O'NEIL ELECTRIC SUPPLY LIMITED		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

APPENDIX "D"

BANKRUPTCY AND INSOLVENCY RECORDS SEARCH

(see attached)



Government
of Canada

Gouvernement
du Canada

Bankruptcy and Insolvency Records Search (BIA) search results | Résultats de la recherche dans le Registre des dossiers de faillite et d'insolvabilité (LFI)

2022-03-08

Search Criteria | Critères de recherche : Name | Nom = Areacor Inc., Name Type | Type de nom = Business |
Entreprise
Reference | Référence : 26821-0001

A search of the Office of the Superintendent of Bankruptcy records has revealed the following information, for the period 1978 to 2022-03-03, based on the search criteria above-mentioned.

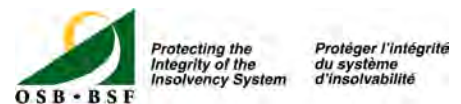
Une recherche dans les dossiers du Bureau du surintendant des faillites a permis de trouver l'information suivante, pour la période allant de 1978 à 2022-03-03, selon les critères de recherche susmentionnés.

BIA Estate Number | Numéro du dossier en vertu de la LFI : 31-459311
BIA Estate Name | Nom du dossier en vertu de la LFI : AREACOR INC.
Birth Date | Date de naissance :
Province : Ontario | Ontario
Address | Adresse : 2869 Bloor Street West, 270, Etobicoke, Ontario, M8X1B3
Estate Type | Type de dossier : RECEIVERSHIP | MISE SOUS SÉQUESTRE
Date of Proceeding | Date de la procédure : 2022-01-13
Total Liabilities* | Total du passif* : \$0
Total Assets* | Total de l'actif* : \$0
First Meeting of Creditors | Première assemblée des créanciers :
Discharge Status | Statut de la libération :
Effective Date | Date d'entrée en vigueur :
Court Number | Numéro de cour :

* As declared by debtor | Tel que déclaré par le débiteur

Appointed Licensed Insolvency Trustee or Administrator | Syndic
autorisé en insolvabilité ou administrateur nommé : RSM Canada Limited
Responsible Person | Personne responsable : TANNENBAUM, BRYAN A
Address | Adresse : RSM Place, 11 King Street West, Suite 700, Toronto, Ontario,
Canada, M5H4C7
Telephone | Téléphone : 416-238-5055
Fax | Télécopieur : 416-480-2646
Licensed Insolvency Trustee or Administrator's Discharge Date |
Date de la libération du syndic autorisé en insolvabilité ou de
l'administrateur :

Canada



APPENDIX "E"

GENERAL ASSUMPTIONS AND QUALIFICATIONS

Assumptions

For the purposes of the views expressed in the security review to which these general assumptions and qualifications are appended, we have made the following assumptions:

- (a) all signatures, including, without limitation, any electronic or digital signatures, are genuine, all documents submitted to us as originals are authentic, and all documents submitted to us as copies conform to authentic original documents;
- (b) that each of the documents provided to us was executed on the day appearing on each document as the date of the document or the date of execution;
- (c) the full legal capacity of those individuals signing any documents at all relevant times;
- (d) the documents and any amendments thereto that we have reviewed have not been otherwise amended or supplemented since execution;
- (e) other than as disclosed and discussed, no further registrations by the Lender were required to maintain perfected security interests under governing laws;
- (f) that the security interests granted by the Mortgage, Postponement, and General Security Agreement (collectively the "Security Agreements") have attached;
- (g) the conduct of the parties to the documents has complied with any requirement of good faith, fair dealing and conscionability;
- (h) there are no agreements or understandings between any parties, written or oral, and there is no usage of trade or course of prior dealing between any parties that would, in either case, define, supplement or qualify the terms of the documents;
- (i) the accuracy and completeness of the records maintained by any office of public record;
- (j) that the funds purported to be advanced by pursuant to the Loan Agreement and secured by the Security Agreements have actually been advanced to the appropriate parties following or, as the case may be, in advance of the execution of the Security Agreements and remain outstanding; and
- (k) there are no facts that would disentitle the Lender from relying on the "Indoor Management Rule" (if necessary and available under governing laws).

Qualifications

The views expressed in the security review to which these general assumptions and qualifications are appended are subject to the following qualifications:

- (a) the enforceability of the Loan Agreement and Security Agreements may be limited by general principles of equity, and no opinion is given as to any specific remedy that may be granted, imposed or rendered (including equitable remedies such as specific performance and injunction);
- (b) no opinion is expressed as to title or the beneficial interest of any person in any property;
- (c) no opinion, other than expressly stated, is expressed regarding any security interests or registered or unregistered third-party claims which may rank in priority to the Lender's security interest;
- (d) no opinion, other than expressly stated, is expressed regarding the priority of the security interests discussed herein or their relative priority as between the Lender and any other creditor of the Company; and
- (e) the enforcement of the Loan Agreement and Security Agreements and any other documents held by the Lender or any judgment arising out of or in connection therewith may be limited by bankruptcy, insolvency, winding-up, reorganization, limitation of action, moratorium, fraudulent conveyance, assignments and preferences, or other laws affecting creditors' rights generally.

TAB M

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 26

Properties

PIN 17586 - 0002 LT *Interest/Estate* Fee Simple
Description PT LT 13 BLK 6 PL 39 AS IN VM97602; CITY OF HAMILTON
Address 11 CANNON STREET WEST
 HAMILTON

PIN 17586 - 0003 LT *Interest/Estate* Fee Simple
Description PT LT 13 BLK 6 PL 39 AS IN HL269921; CITY OF HAMILTON
Address 15 CANNON ST W
 HAMILTON

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name AREACOR INC.
Address for Service 2869 Bloor Street West, Suite 270
 Etobicoke, Ontario M8X 1B3

I, Roni Gilyana, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name CITY OF HAMILTON
Address for Service 71 Main Street West
 Hamilton, Ontario L8P 4Y5

Statements

Schedule: See Schedules

I Roger M. Vinayagalingam solicitor make the following law statement Registration of this document is not prohibited by registration number WE1293841 registered on 2018/06/29, which prevents dealings against charge number WE1293837 registered on 2018/06/29. In accordance with registration WE1293841 registered on 2018/06/29, the consent of Marshallzehr Group Inc. has been obtained for the registration of this document. The registration of this document is not prohibited by registration WE1293841 registered on 2018/06/29.

Registration of this document is not prohibited by registration number WE1293840 registered on 2018/06/29, which prevents dealings against charge number WE1293837 registered on 2018/06/29.

In accordance with registration WE1293840 registered on 2018/06/29, the consent of Marshallzehr Group Inc. has been obtained for the registration of this document.

The registration of this document is not prohibited by registration WE1293840 registered on 2018/06/29.

Provisions

Principal \$208,755.90 *Currency* CDN
Calculation Period
Balance Due Date ON DEMAND
Interest Rate See Schedule "A" - DC Deferral Agreement
Payments
Interest Adjustment Date
Payment Date See Schedule "A" - DC Deferral Agreement
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount Full insurable value
Guarantor Roni Gilyana

Additional Provisions

The mortgage is security for the amounts payable pursuant to the DC Deferral Agreement attached hereto as Schedule "A".

Signed By

Roger Mohan Vinayagalingam

610-4100 Yonge St.
Toronto
M2P 2B5acting for
Chargor(s)

Signed 2019 04 30

The applicant(s) hereby applies to the Land Registrar.

Signed By

Tel 416-250-5800

Fax 416-250-5300

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

HARRIS, SHEAFFER LLP

610-4100 Yonge St.
Toronto
M2P 2B5

2019 04 30

Tel 416-250-5800

Fax 416-250-5300

Fees/Taxes/Payment

Statutory Registration Fee \$64.40

Total Paid \$64.40

File Number

Chargee Client File Number : 18-0923

THIS AGREEMENT made in quadruplicate, as of the _____ day of October, 2018.

BETWEEN:

AREACOR INC.
(the "Applicant")

and

CITY OF HAMILTON
(the "City")

1. WHEREAS the Development Charges Act, 1997, S.O.1997, Chapter 27 (the "Act") authorizes municipalities to pass a by-law for the imposition of development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies.

2. AND WHEREAS the Council of the City, pursuant to the Act, passed By-Law 14-153, which imposes development charges and also provide for the payment of development charges;

3. AND WHEREAS a municipality may, as authorized by Section 27 of the Act, permit, on such terms as its Council may require, an Applicant to pay the applicable development charge at a date later than it would otherwise be payable, upon and in accordance with the terms of an agreement entered to by the Applicant with the municipality;

4. AND WHEREAS, pursuant to Section 31 of the said By-law 14-153 the payment of development charges may be deferred over a maximum period of five (5) years from the date of the payment deferral agreement;

5. AND WHEREAS the Applicant is the registered owner of the property known municipally, as of the date of this Agreement, as **11-15 Cannon Street West, Hamilton** in the City of Hamilton and more particularly described in Schedule "A" attached to this Agreement (the "Property");

6. AND WHEREAS the Applicant proposes to develop the Property for a **40 Residential Condo Suites + 1 Retail Development** (the "Development");

7. AND WHEREAS all of the shares of the Applicant are owned by **Roni Gilyana**;

8. AND WHEREAS by application number **193** and dated **September 28, 2018** (the "Application"), has applied to the City for a building permit with permit **2018 129017 000 00 R3 Part 3** (the "Building Permit") for the Development;

9. AND WHEREAS the issuance of the Building Permit requires development charges and the Applicant has applied for approval to defer the payment of the development charges to the City with respect of the Development over a period of five (5) years;

10. AND WHEREAS the City's General Manager, Finance & Corporate Services (the "General Manager") on **October 1, 2018**, as authorized by Council, approved such Application subject to and upon the terms of this Agreement;

NOW THEREFORE, in consideration of the matters referred to, the Parties agree as follows:

1. INTERPRETATION

(1) Definitions

In this Agreement and the recitals hereto unless something in the subject matter or context is inconsistent therewith:

- (a) **“Act”** has the meaning ascribed to it in Recital 1;
- (b) **“Additional Tax Roll”** has the meaning ascribed to it in Section 5(4);
- (c) **“Agreement”** means this agreement, including its attached schedules, and all amendments made to it in accordance with its provisions as amended, revised, replaced, supplemented or restated from time to time;
- (d) **“Applicable Law”** means, in respect of a Person, property, transaction, event or other matter, as applicable, all present or future Law relating or applicable to that Person, property, transaction, event or other matter, including any interpretation of Law by any Governmental Authority;
- (e) **“Application”** has the meaning ascribed to in Recital 8;
- (f) **“BIA”** has the meaning ascribed to it in Section 10(1)(h);
- (g) **“Business Day”** means a day other than a Saturday, Sunday or any holiday and another day on which the City’s City Hall is not open to the public;
- (h) **“Building Code”** means any regulations made by the Lieutenant Governor General in Council governing the standards for the construction and demolition of buildings pursuant to the Building Code Act, S.O. 1992 c.23, as amended, including but not limited to Ontario Regulation 332/12, as amended;
- (i) **“Building Permit”** has the meaning ascribed to it in Recital 8;
- (j) **“CCAA”** has the meaning ascribed to in Section 10(1)(j);
- (k) **“Commencement Date”** has the meaning ascribed to in Section 4;
- (l) **“Credit Documents”** means this Agreement, the Security, and all other documents, certificates and instruments executed or delivered or to be executed or delivered by any Obligor to the City pursuant hereto or thereto, as the same may be modified, amended, extended, restated or supplemented from time to time and **“Credit Document”** shall mean anyone of the Credit Documents;
- (m) **“Deferral”** has the meaning ascribed to it in Section 2(2);
- (n) **“Development”** has the meaning ascribed to it in Recital 6;
- (o) **“Development Charge”** has the meaning ascribed to it in Section 2(1);
- (p) **“Encumbrance”** means, in respect of the Applicant, any right to, claim or in interest in the Property including but not limited to: easement, mortgage, debenture, pledge, hypothec, lien, charge, encumbrance, assignment by way of security, hypothecation or security interest granted or permitted by the Applicant or arising by operation of law, in respect of any of the Property, or any consignment or lease of the Property by the Applicant as consignee or lessee or any other security agreement, trust or arrangement having title effect of security for the payment of any debt, liability or obligation, and **“Encumbrances”**, **“Encumbrancer”**, **“Encumber”** and **“Encumbered”** shall have corresponding meanings;
- (q) **“Event of Default”** has the meaning ascribed to that term in Section 10(1);
- (r) **“Governmental Authority”** means the government of Canada, province, territory, municipality, state any entity exercising executive, legislative,

judicial, regulatory or administrative functions of or pertaining to government, or the application, enforcement, or interpretation of Law;

- (s) **“Grant Money”** has the meaning ascribed to it in Section 12;
- (t) **“Information”** has the meaning ascribed to it in Section 13(1)(l);
- (u) **“Interest Rate”** has the meaning ascribed to it in Section 3(1);
- (v) **“Law”** means all laws, (including the common law), by-laws, ordinances, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official directives, rules, guidelines, notices, approvals, orders, policies and other requirements of any Governmental Authority whether or not they have force of law;
- (w) **“Material Adverse Effect”** means:
 - (i) a material adverse effect on the business, operations, properties, assets, condition (financial or otherwise) or prospects of the Applicant;
 - (ii) an adverse effect on the legality, validity or enforceability of the Credit Documents which could reasonably be considered material having regard to the Credit Documents considered as a whole, including the validity, enforceability, perfection or priority of any Encumbrance created or intended to be created under any of the Security which could reasonably be considered material having regard to the Security considered as a whole;
 - (iii) an adverse effect on the right, entitlement or ability of the Applicant to pay the Development Charge or other amounts payable under this Agreement or any of the other Credit Documents or perform any of its obligations under this Agreement or any of the other Credit Documents which could reasonably be considered material having regard to the Applicant as a whole; or
 - (iv) an adverse effect on the right, entitlement or ability of the City to enforce any of the amounts owing by the Applicant under this Agreement or any other Credit Documents which could reasonably be considered material having regard to the Applicant, or to exercise or enforce any of its rights, entitlements, benefits or remedies under any of the Credit Documents;
- (x) **“Mortgage”** has the meaning ascribed to it in Section 8(1)(a);
- (y) **“MFIPPA”** has the meaning ascribed to it in Section 25;
- (z) **“Obligors”** means, collectively, the Applicant, the Personal Guarantor and their respective heirs and assigns and “Obligor” means any one of them;
- (aa) **“Parties”** means the Applicant, the City, and any other Person that may become a party to this Agreement;
- (bb) **“Pending Event of Default”** means an event which, but for the requirement for the giving of notice, lapse of time, or both, or but for the satisfaction of any other condition subsequent to that event, would constitute an "Event of Default";
- (cc) **“Person”** is to be broadly interpreted and includes an individual, a corporation, a limited liability company, an unlimited liability company, a partnership, a trust, an incorporated organization, a joint venture, the

government of a country or any political subdivision of a country, or all agency or department of any such government, any other Governmental Authority and the executors, and administrators or other legal representatives of an individual in such capacity;

- (dd) **“Personal Guarantor”** has the meaning ascribed to it in Section 8(1)(c);
- (ee) **“Property”** has the meaning ascribed to it in Recital 5;
- (ff) **“Security”** has the meaning ascribed to it in Section 8(1);
- (gg) **“Taxes”** means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments, royalties, duties, deductions, compulsory loans or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance payments and workers compensation premiums, together with any installments, and any interest, fines and penalties, imposed by any Governmental Authority, whether disputed or not;
- (hh) **“Tax Rolls”** has the meaning ascribed to in it Section 5(4);

(2) **Headings, Sections, Recitals, Schedules**

The division of this Agreement into articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The term “this Agreement” refers to this Agreement in its entirety and not to any particular article, Section or other portion of this Agreement and includes any agreement supplemental to this Agreement. Unless otherwise indicated, references in this Agreement to Sections, Recitals or Schedules are to, Sections, Recitals and Schedules of this Agreement.

(3) **Gender and Number**

If the context of this Agreement requires changes of gender and number, this Agreement shall be read such that words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa.

(4) **Best Knowledge**

All provisions contained herein or under any other Credit Document requiring the Applicant to make a determination or assessment of any event or circumstance or other matter to the best of its knowledge shall be deemed to require the Applicant to make all due inquiries and investigations as may be necessary or prudent in the circumstances before making any such determination or assessment.

(5) **Conflicts**

In the event of a conflict or inconsistency between the application of any of the provisions of this Agreement and the application of any of the provisions of any of the other Credit Documents the provisions giving the City greater rights or remedies shall govern (to the maximum extent permitted by Applicable Law), it being understood that the purpose of this Agreement and any other Credit Document is to add to, and not detract from the rights granted to the City under the Credit Documents.

(6) **Non-Business Days**

Unless otherwise expressly provided in this Agreement, whenever any payment is stated

to be due on a day other than a Business Day, the payment will be made on the immediately preceding Business Day. In the case of interest or fees payable pursuant to the terms of this Agreement, the extension or contraction of time will be considered in determining the amount of interest and fees. Unless otherwise expressly provided in this Agreement, whenever any action to be taken is stated or scheduled to be required to be taken on, or (except with respect to the calculation of interest or fees) any period of time is stated or scheduled to commence or terminate on, a day other than a Business Day, the action will be taken or the period of time will commence or terminate, as the case may be, on the immediately preceding Business Day.

(7) **Statutory References**

Any reference in this Agreement to any Law, or to any section of or any definition in any Law, shall be deemed to be a reference to such Law or section or definition as amended, supplemented, substituted, replaced or re-enacted from time to time.

(8) **Schedules**

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

Schedule "A" - Legal Description of the Property

Schedule "B" - Certificate of Independent Legal Advice or Waiver

The Schedules are attached to and form a part of this Agreement in the same manner and with the same effect whether or not they are included in the body hereof.

(9) **Recitals**

All of the recitals preceding Section 1 of this Agreement are true and correct.

(10) **References to City Staff and Administrative Units**

Any reference to the title or position of a member of City staff in this Agreement shall include any change to the title or position or any successor title or position or any new title or position which assumes the responsibilities of the title or position referenced in the Agreement. Any reference to a City administrative unit shall include any change to the name or any administrative unit which assumes the responsibilities of the administrative unit referenced herein.

2. PAYMENT

(1) **Development Charge**

The Applicant covenants to pay to the City, in respect of the Development, a total development charge in the amount of **TWO HUNDRED AND EIGHT THOUSAND, SEVEN HUNDRED AND FIFTY-FIVE DOLLARS, AND NINETY CENTS (\$208,755.90)** or a revised amount as approved by the Council of the City, (the "Development Charge").

(2) **Payment Five Years from Building Initial Building Permit Issuance**

The payment of the Development Charge as required in Section 2(1), plus such interest as is imposed, due and payable in accordance with Section 3 of this Agreement, shall be made to the City, in full, **NO LATER THAN** five (5) years from the Commencement Date, except where, pursuant to the terms of this Agreement, the said payment is required and due in full prior to the said date (the "Deferral").

(3) **Payable To**

The Applicant shall submit the Development Charge payment(s), payable to City of Hamilton, to be received by the Finance Department of the City of Hamilton.

(4) Non-Compliance

In the event that the sections addressing payment of the Development Charge and interest under this Agreement are not complied with by the Applicant the City shall be at liberty to enforce on the Security as described in Section 8(1) and in compliance with Section 10(2).

3. INTEREST**(1) Interest**

The Applicant also covenants to pay to the City, as permitted by section 27 of the Act, interest, on the Development Charge, calculated from the Commencement Date. The rate of interest on the Development Charge shall be the City's Five (5) year Serial Debenture Rate as of the month in which the Commencement Date falls plus

- (a) Three Point Two Five (3.25%) while the Mortgage is in first or second position on title ("Interest Rate");
- (b) Four Point Seven Five (4.75%) while the Mortgage is in third position on title ("Interest Rate");
- (c) Six Point Two Five (6.25%) while the Mortgage is in fourth position on title ("Interest Rate")

Interest will be calculated in advance and be compounded semi-annually from the Commencement Date. It is the Applicant's responsibility to contact the City and obtain the applicable Interest Rate on the Commencement Date and to provide support if the Mortgage moves up on title. The reduced rate that applies when the Mortgage moves up on title will be effective from the time supporting documentation has been received; any increase in rate will be effective the date the postponement is registered.

(2) Interest On Other Amounts

If any fee or other amount owed by any Obligor to the City under any of the Credit Documents is not paid when due and payable, and there is no other provision in any Credit Document specifying the interest payable on that overdue amount, that overdue amount shall bear interest at the Interest Rate. Interest as aforesaid shall be accrued from day to day and until it is paid in full.

4. TERM

The Deferral commences as of the date of initial issuance of the Building Permit (the "Commencement Date"), and the Deferral continues until the earlier of five (5) years from the Commencement Date or, such earlier date payment in full is made, with interest, in accordance with the terms of this Agreement. This Agreement shall remain in force and effect until the Development Charge is repaid and the Applicant has performed all of its obligations under this Agreement.

5. THE DEVELOPMENT CHARGE

The Applicant acknowledges and agrees that:

- (1) that the said amount of the deferred Development Charge (or a revised amount as approved by the Council of the City) is the correct amount calculated and applied to the Applicant's Application with the City for the Development.
- (2) that the Applicant has not and will not file a complaint pursuant to the Act with the City or in any other forum, with respect to the determination and application of the Development Charge By-laws, including the quantum of the charges;

- (3) that the deferred Development Charge referred to herein for payment by the Applicant to the City may not be all of the development charges that may become applicable in respect of the Property as there may be further development charges applicable in respect of other development permitted on the Property such as the development charges imposed by a Board of Education, to which this Agreement does not apply.
- (4) that the Property is recorded under the following tax roll number(s) **020 123 56520 0000 & 020 123 56490 0000** ("Tax Rolls") and that in the event the deferred Development Charge with accrued interest becomes payable and remains unpaid, in whole or in part, or, on its due date remains unpaid, then in addition to any other remedy available to the City at law or in this Agreement, the amount of unpaid Development Charge and interest accrued thereon may be added to the Tax Rolls and to any tax roll number which the City may in its sole and unfettered discretion determine applies to the Property ("Additional Tax Roll") and collected as realty taxes.
- (5) that it is the Applicant's responsibility to obtain all necessary approvals and all necessary zoning for purposes of the Development and use of the Property and that by entering into this Agreement the City is making no representation regarding same and the Applicant acknowledges that nothing herein limits the City's discretion regarding same.

6. EFFECTIVE DATE OF AGREEMENT

This Agreement shall take effect once it is fully executed, **FIRSTLY**, by the Applicant; and **SECONDLY**, by the City.

7. COVENANTS

(1) Covenants

The Parties agree that all obligations or agreements contained in this Agreement shall be deemed to be covenants.

(2) Covenants of the Applicant

- (a) the Applicant shall remain a valid and existing corporation in accordance with the laws of Canada or the Province of Ontario, as the case may be;
- (b) the Applicant shall supply to the City, in a form satisfactory to the City, such information relating to the ownership of its shares as the City may from time to time require;
- (c) the Applicant shall pay all amounts owing (including interest, costs and other charges) under this Agreement and the Security required hereunder;
- (d) the Applicant shall pay in full prior to the issuance of the Building Permit and remain in good standing throughout the term of this Agreement, all outstanding real property taxes and amounts added to the municipal tax roll for the Property, including any additional fees associated therewith;
- (e) the Applicant shall comply with all Applicable Law that pertains to the Property and the Development;
- (f) Throughout the term of the Agreement (including any renewal thereof), the Applicant shall obtain and maintain at its own expense, including the cost of any applicable deductible, the following policies of insurance:

- (i) Commercial General Liability Insurance, written on IBC Form 2100 or its equivalent, including but not limited to bodily and personal injury liability, property damage, and non-owned automobile and having an inclusive limit of not less than \$2,000,000 per occurrence and \$4,000,000 in the aggregate and endorsed to include the City of Hamilton as additional insured.
- (ii) All risk property insurance to insure the property, on a replacement cost basis with limits equal to the value of the property. The City shall be named as a loss payee as their interest may appear.

The Applicant shall deposit with the City a certificate of insurance. Certificate shall provide that at least 30 days prior written notice (10 days in the event of non-payment of premiums) shall be given to the City by the Insurer before the Insurer or Applicant takes any steps to cancel, terminate, fail to renew, amend or otherwise change or modify the insurance or any part thereof. Certificate Holder will be addressed as the City Of Hamilton, City Hall, 71 Main Street West, Hamilton, Ontario L8P 4Y5 attn; Finance & Corporate Services. All certificates, cancellation, nonrenewal or adverse change notices should be mailed to this address

- (g) in the event of the sale, conveyance, transfer or entering into of any agreement of sale or transfer of the title of the Property or a part of it then the Development Charge together with accrued interest and all monies owing hereunder, shall forthwith become due and payable in accordance with the provisions of Sections 2 and 3 unless if only a part of the Property is sold, conveyed, transferred or offered for sale or transfer the City consents, in its sole and unfettered discretion to a partial payment of the Development Charge in accordance with Section 10(6). If a partial payment is made the balance of the Development Charge shall remain deferred and payable in accordance with the provisions of this Agreement and no change to the time period of the Deferral shall occur;
- (h) in addition to and without any prejudice to any rights of inspection the City has pursuant to any Applicable Law, the Applicant shall, during normal business hours and from time to time upon reasonable notice, permit representatives of the City to inspect any real property owned or occupied by the Applicant including the Property and the Development and to examine and take extracts from the Applicant's financial books, accounts and records including but not limited to accounts and records stored electronically;
- (i) the Applicant shall promptly notify the City of any Event of Default or Pending Event of Default;
- (j) the Applicant shall promptly notify the City of any Material Adverse Effect that would apply to it or any other Obligor, or any event or circumstance that is likely to give rise to a Material Adverse Effect;
- (k) the Applicant shall promptly notify the City of the occurrence or threatened occurrence of any litigation, dispute, arbitration, proceeding or other circumstance the result of which, if determined adversely, would be a judgment or award against it or other Obligors or that would result in a Material Adverse Effect to it or other Obligors, and from time to time provide the City with all information requested by the City concerning any such proceeding;
- (l) the Applicant shall promptly give notice to the City of:
 - (i) any notice of expropriation, or material action or proceeding affecting: the Property or the business of the Applicant or business of any of the Obligors;

- (ii) any violation of any Applicable Law which results or could result in a Material Adverse Effect;
- (iii) any damage to or destruction of the Property;
- (m) the Applicant shall keep and maintain the Property in good repair and in compliance with the provisions of the City's Property Standards By-law.
- (n) prior to registration of the Mortgage the Applicant shall pay registration and search fees in an amount as advised by the City Legal Services Division and in addition the Applicant shall pay promptly all other fees and disbursements (including Taxes) incurred or paid by the City in connection with the preparation, delivery, maintenance, amendment, registration on title to the Property and enforcement (including any workouts in connection with or in lieu of any enforcement) of the Credit Documents, and in connection with the consummation of the transactions contemplated by the Credit Documents, and including, without limitation, all court costs and all fees and disbursements of lawyers, auditors, consultants and accountants; and
- (o) no Obligor shall change its legal or operating name without providing the City with thirty (30) days prior written notice thereof.

8. SECURITY

(1) **Security**

As continuing collateral security for Development Charge and any amount that may become due and payable for any reason whatsoever hereunder, the Applicant shall execute and deliver to the City in form and content satisfactory to the City the following (collectively referred to as the "Security"):

- (a) a collateral charge/mortgage of land payable on demand in the principal amount of **TWO HUNDRED AND EIGHT THOUSAND, SEVEN HUNDRED AND FIFTY-FIVE DOLLARS, AND NINETY CENTS (\$208,755.90)** given by the Applicant, which shall be registered against title to the Property (the "Mortgage"), this Agreement will be added as a schedule to the Mortgage and the Mortgage shall contain a statement that the Mortgage is security for all amounts payable to the City pursuant to this Agreement;
- (b) assignment of any proceeds of Insurance required pursuant to Section 7(2)(f);
- (c) the personal guarantee of **Roni Gilyana** (the "Personal Guarantor"); and
- (d) any and all such other and further documents, agreements and other instruments, and do such other and further things, as the City may require to give effect to this Agreement and cause the City to hold valid and enforceable Security for the Principal Amount advanced together with any amount that may become payable for any reason hereunder.

(2) **Registration**

The Applicant shall, at its expense, cause the Security to be registered, filed or recorded in all offices in each relevant jurisdiction where such registration, filing or recording is necessary or of advantage to the creation, perfection and preserving of the Security. The Applicant shall renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect and shall, from time to time as reasonably required, provide to the City an opinion of the Applicant's counsel that all such registrations, filings and recordings have been made and perfect the security interests created by the Security.

(3) Release of Security

At such time as the Applicant has satisfied all of its respective indebtedness, liabilities and obligations in relation to the Agreement in full and shall have terminated the same, the City shall without any representations, warranties or recourse of any kind whatsoever, enter into such agreements and other instruments as may be necessary to discharge the Security.

(4) Postponements

Provided the Applicant is not in default under this Agreement, the Mortgage registered against the Property and any additional or future Security related to the foregoing, the City, agrees to postpone the Mortgage to permit: an increase in any mortgage registered on title prior to the Mortgage; or to permit additional Mortgages to be registered in priority to the City Mortgage. The postponement shall be in a form satisfactory to the City in its sole and unfettered discretion.

9. TIME IS OF THE ESSENCE

The Applicant agrees that time shall be of the essence and any dates or deadlines set out in this Agreement are to be strictly adhered to.

10. EVENTS OF DEFAULT

(1) Events of Default

The occurrence of any one or more of the following events (each, an "Event of Default") shall constitute a default under this Agreement:

- (a) where the Property is sold or otherwise transferred or disposed of by the Applicant;
- (b) where a part of the Property is sold, transferred, conveyed or offered for sale as a lot or a severed parcel;
- (c) where a mortgage, charge, lien, execution or other Encumbrance affecting the Property becomes enforceable against the Property; or
- (d) where the Applicant becomes bankrupt, whether voluntary or involuntary, or becomes insolvent or a receiver/manager is appointed with respect to the Property; or
- (e) where the Applicant's certificate of incorporation is cancelled or the Applicant is otherwise wound up or dissolved as a corporation or there is any other change in the ownership or corporate status of the Applicant not approved by the City in advance;
- (f) the Applicant fails to make, when due, whether on demand or at a fixed payment date, by acceleration or otherwise, any payment of interest, Development Charge, fees or other amounts payable to the City under this Agreement;
- (g) there is a breach by the Applicant of any other term, covenant or condition contained in the Agreement or the Security;
- (h) the insolvency of an Obligor, or the making by an Obligor of an assignment in bankruptcy or any other assignment for the benefit of creditors or, any proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-13, as amended ("BIA") or any other comparable law, or any other bankruptcy, insolvency, or analogous law;

- (i) an Obligor is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets;
- (j) an Obligor files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition, compromise, winding-up, readjustment, restructuring or any similar proceeding for action of any kind whatsoever under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law including but not limited to: the BIA *the Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36 ("CCAA"), as amended, affecting creditor's rights or consents to, acquiesces in, the filing of such a petition;
- (k) a receiver is appointed over any property of any Obligor or any judgment or order or any process of any court becomes enforceable against any Obligor or any property of any Obligor or any creditor takes possession of any property of any Obligor;
- (l) the filing or instituting of any proceeding against an Obligor seeking to have an order for relief entered against that Obligor as debtor or to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, compromise, arrangement, adjustment, composition restructuring or any similar proceeding or action of any kind whatsoever under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including without limitation, the BIA and CCAA, or seeking appointment of a receiver, trustee, custodian or other similar official for such Obligor or for any substantial part of its properties or assets unless the same is dismissed, vacated or permanently stayed within thirty (30) days of institution;
- (m) the loss by any of the Security of its status as a valid and perfected security interest subject only to Encumbrances permitted by the City, if the Applicant has failed to remedy this default within the earlier of ten (10) days from the date: the Applicant becomes aware, using reasonable due diligence of such default; and the City delivers written notice of the default to the Applicant;
- (n) a writ of execution against the Applicant is or becomes binding against the Property;
- (o) any material adverse change occurs in the financial condition of the Applicant in the absolute discretion of the City;
- (p) any adverse change, determined by the City in its sole, unfettered and absolute discretion, occurs in the environmental condition of the Property;
- (q) any representation, warranty, statement, declaration or information provided to the City by any Obligor in connection with this Agreement or any other Credit Document or in this Agreement or any other Credit Document is incorrect, false, misleading or erroneous in any material respect as of the time it was made or given;
- (r) the enactment of any legislation or the entering or obtaining of any decree or order of a court, statutory board or commission which renders any of the Credit Documents or any material provision of any of them unenforceable, unlawful or otherwise changed, if any Obligor does not, within ten (10) days of receipt of notice of the Credit Document or material provision becoming unenforceable, unlawful or otherwise changed, replace the Credit Document with a new agreement that is in form and substance satisfactory to the City in its sole and unfettered discretion, or amend the Credit Document to the satisfaction of the City in its sole and unfettered discretion;

- (s) construction of the Development ceases for a period of thirty (30) days (strikes excepted) and/or the Applicant abandons the Development;
- (t) the cessation or threatened cessation by any Obligor of its business generally or the admission of an Obligor of its inability to, or, its actual failure to, pay its debts generally;
- (u) the denial by any Obligor of its obligations under any of the Credit Documents, or the claim by any Obligor that any of the Credit Documents are invalid or have been withdrawn in whole or in part;
- (v) the failure of an Obligor to observe or perform any covenant or obligation applicable to it under any of the Credit Documents;
- (w) an assignment of this Agreement or any of the other Credit Documents without the prior written consent of the City which may be arbitrarily withheld by the City;
- (x) without the written consent of the City first had and obtained:
 - i) the Applicant issues or redeems any of its shares or transfers any of its shares;
 - ii) there is a sale or sales of the shares of the Applicant which result in the transfer of the legal or beneficial interest of any of the shares of the Applicant; or
 - iii) the Applicant amalgamates, merges or consolidates with any other corporation;
- (y) where a grant or funds are provided by the City to a person other than the Applicant in respect of the Development to which the Development Charge applies; and;
- (z) any change in the ownership or corporate status of the Applicant not approved by the City including but not limited to: the Applicant's certificate of incorporation is cancelled, or the Applicant is otherwise wound up or dissolved as a corporation.

(2) Acceleration and Termination of Rights

Upon the occurrence of an Event of Default, and for so long as the Event of Default shall continue the Development Charges, together with interest at the Interest Rate and any other monies owing hereunder shall become due and payable IMMEDIATELY, and payment shall be made to the City, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by the Applicant.

In addition, if any Event of Default occurs, the amount of unpaid Development Charge and interest accrued thereon may be added to the Tax Rolls and Additional Tax Roll and collected as realty taxes all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by the Applicant. The Development Charge and interest accrued thereon when added to the Tax Rolls and Additional Tax Roll shall accrue interest and penalties, commencing on the date the unpaid amount is placed on the tax roll, in the same manner and amount as arrears of property taxes.

In addition, if any Event of Default occurs, the Security shall become immediately enforceable and the City may, in its sole and unfettered discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against the Applicant authorized or permitted by law for the recovery of all of the

Development Charge, interest payable pursuant to this Agreement and any other amounts payable to the City under this Agreement, and proceed to exercise any and all rights hereunder and under the Security, and no such remedy for the enforcement of the rights of the City shall be exclusive of, or dependent on, any other remedy, but any one or more of such remedies may from time to time be exercised independently or in combination.

(3) **Remedies Cumulative**

For greater certainty, it is expressly understood and agreed that the rights and remedies of the City under this Agreement or under any other Credit Document are cumulative and are in addition to, and not in substitution for, any rights or remedies provided by Law or by equity; and any single or partial exercise by the City of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or other Credit Document shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the City may be lawfully entitled for such default or breach. No delay or omission by the City in exercising any such right or remedy shall operate as a waiver of them or any other right or remedy.

(4) **Saving**

The City shall have no obligation to the Obligors or any other Person to realize any collateral or enforce the Security or any part thereof or to allow any of the collateral to be sold, dealt with or otherwise disposed of. The City shall not be responsible or liable to the Obligors or any other Person for any loss or damage upon the realization or enforcement of, the failure to realize or enforce the collateral or any part thereof or the failure to allow any of the collateral to be sold, dealt with or otherwise disposed of or for any act or omission on their respective parts or on the part of any director, officer, agent, servant or adviser in connection with any of the foregoing, except that the City may be responsible or liable for any loss or damage arising from the wilful misconduct or gross negligence of the City.

(5) **Perform Obligations**

If an Event of Default has occurred and is continuing, and if the Applicant has failed to perform any of its covenants or agreements in the Credit Documents, the City may, but shall be under no obligation to, perform any such covenants or agreements in any manner deemed fit by the City without thereby waiving any rights to enforce the Credit Documents. The expenses (including any legal costs) incurred by the City in respect of the foregoing shall be debt owing to the City and shall be secured by the Security.

(6) **Partial Payment If Sale of Part of Property or Severance**

Prior to an Event of Default as provided for in Section 10(1)(b) occurring, the City in its sole and unfettered discretion may permit the Applicant to make a partial payment of the Development Charge in an amount determined by the City in its sole and unfettered discretion. If a partial payment is permitted by the City and made by the Applicant the unpaid portion of the Development Charge remains payable pursuant to the provisions of the Agreement and the Deferral shall continue with no change to its time period and no Event of Default will be deemed to have occurred if the events in Section 10(1)(b) occur. Any permission granted by the City pursuant to this Section 10(6) shall only be effective if given in writing and signed by the General Manager of Finance and Corporate Services.

(7) **Set-Off or Compensation**

In addition to, and not in limitation of, any rights now or hereafter granted under Applicable Law, if repayment is accelerated pursuant to Section 10(2), the Applicant may, at any time without notice to any Obligor or any other Person, the

right to receive any notice being expressly waived by each Obligor, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by the City to or for the credit of or the account of an Obligor, against and on account of the Obligors, notwithstanding that any of them are contingent or unmatured.

(8) Application of Payments

Notwithstanding any other provisions of this Agreement, after the occurrence and during the continuance of an Event of Default, all payments made by the Applicant under this Agreement, or from the proceeds of realization of any Security, or otherwise collected or received by the City on account of amounts outstanding with respect to any amounts owing under this Agreement, shall be paid over or delivered to make the following payments (as the same become due at maturity, by acceleration or otherwise):

- (a) first, to payment of any fees owed to the City hereunder or under any other Credit Document;
- (b) second, to the payment of all out-of-pocket costs and expenses (including without limitation legal fees) of the City in connection with enforcing the rights of the City under the Credit Documents;
- (c) third, to the payment of all default interest;
- (d) fourth, to the payment of the Development Charge and any accrued interest thereon payable to the City hereunder; and
- (e) fifth, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

11. COSTS

(1) Costs and Expenses Preparation and Administration

The Applicant shall pay an application fee of \$750.00 to the City prior to issuance of the Building Permit. Prior to the issuance the Building Permit, the Applicant shall pay all the costs and expenses including but not limited to legal fees, professional fees, registration fees incurred by or behalf of the City in connection with the preparation, execution and delivery of this Agreement and the preparation, execution, registration and delivery of the other Credit Documents and the other instruments, certificates and documents to be delivered under this Agreement or the other Credit Documents. The aforesaid costs and expenses shall not include the costs of City staff time spent in the preparation of this Agreement. The aforesaid costs and expenses shall be due and payable on demand by the City. If the costs and expenses are not paid within 10 Business Days from notice, interest, as provided for in Section 3 will accrue and be payable from the date of demand from the City. Such costs and expenses shall be payable whether or not the Building Permit has been issued.

The Applicant agrees that all fees and costs incurred by or on behalf of the City throughout the term of this Agreement, including but not limited to legal, professional, registration, escrow agent, appraisal and survey costs and fees, independent engineer costs and independent insurance advisor costs, are payable by the Applicant and shall be payable on demand.

(2) Additional Costs and Expenses

Without limiting any of its covenants and obligations set out elsewhere in this Agreement the Applicant agrees to pay all costs and expenses incurred by or on behalf of the City (including without limitation legal fees):

- (a) in connection with the preparation or review of waivers, consents, postponements and amendments to this Agreement or any of the other Credit Documents;
- (b) as a result of the Applicant's failure to perform or observe any its obligations under this Agreement or the Security;
- (c) of the City in connection with enforcing the rights of the City under the Credit Documents; and
- (d) in connection with questions of interpretation of this Agreement and in connection with the establishment of the validity and enforceability of this Agreement,

together with interest at the Interest Rate per annum from and after the 10th Business Day of having been given notice from the City if payment is not made by that time.

(3) Environmental Indemnification

In addition to any liability of the Applicant to the City under any other provision of this Agreement, the Applicant covenants to defend and indemnify and hold harmless the City and its officers, employees, elected officials, agents and representatives at all times from all and against any and all losses, damages and costs (including legal fees and expenses) resulting from any legal action commenced or claim made by a third party, or administrative order issued by a Governmental Authority against the City, related to or as a result of actions on the part of the Applicant related to, or as a consequence of, environmental matters or a failure to comply with any requirements of any law that applies to any environmental matter.

(4) Indemnification

In addition to any liability of the Applicant to the City under any other provision of this Agreement, the Applicant covenants to defend, indemnify and hold harmless the City and its officers, employees, elected officials, agents and representatives from and against any and all actions, causes of action proceedings, claims, demands, assessments in respect of required withholding losses, damages, liabilities, expenses and obligations of any kind that may at any time be incurred by, or asserted against, any of them by any third party, including any Governmental Authority, as a result of, or in connection with, or by reason of, the entering into of this Agreement or the other Credit Documents or the transactions therein contemplated, the Development, or in connection with the operations, activities or business of the Applicant. For the purposes hereof, matters arising from the operation, activities or business of the Applicant shall extend to any matter, directly or indirectly relating to the Applicant, including, without limitation, injuries suffered by any Person while completing the Development or using the Property, damage to property, and claims arising from the act or omission of any employee, contractor or agent of the Applicant. A certificate of the City as to the amount of any such loss or expense shall be prima facie evidence as to the amount thereof, in the absence of manifest error.

(5) Indemnification by Applicant

In addition to any liability of the Applicant to the City under any other provision of this Agreement, the Applicant covenants to defend and indemnify the City and hold the City harmless from and to reimburse the City for all costs, fees, expenses and liabilities incurred by the City or for which the City becomes obligated in connection with or arising out of this Agreement or pursuant to any of the Security. A certificate of the City as to the amount of any such loss or expense shall be prima facie evidence as to the amount thereof, in the absence of manifest error.

(6) Survival

The agreements in Section 11 shall survive the termination of this Agreement and payment of the Development Charges.

12. REQUIRED PREPAYMENT

If, within 5 years of the Commencement Date, the Applicant applies for and receives any grant, fund, or other monetary consideration of any kind from the City, including without limitation a grant pursuant to the City's Environmental Remediation and Site Enhancement (ERASE) Program (the "Grant Money"), the Development Charge plus any interest (due under this Agreement or otherwise) that would otherwise be payable on the Commencement Date or thereafter, shall be due and payable on the date the Grant Money is payable to the Applicant. The City shall have the right to set-off the Development Charge plus any interest from the Grant Money. Interest shall accrue on any and all unpaid portions of the Development Charge from the Commencement Date until the Development Charge is paid in full. The City's right to set-off shall expire five (5) years after the Commencement Date. Any and all portions of the Development Charge plus interest that have not been paid within five (5) years of the Commencement Date shall be immediately payable in full (5) years after the Commencement Date, and interest shall continue to accrue. For clarity, if the Grant Money is paid in multiple payments, the City's right to set-off in this Section 12 applies to all payments of the Grant Money, except and provided that any Grant Money payments received 5 years after the Commencement Date cannot be set off against the Development Charge

13. REPRESENTATIONS AND WARRANTIES

(1) Representations and Warranties

The Applicant represents and warranties that:

- (a) the Applicant is not a party to any agreement under the terms of which the Applicant is prohibited or restricted from entering into any of the Applicant's obligations, liabilities, or restrictions under this Agreement;
- (b) no Event of Default has occurred, or appears reasonably likely to occur as of the date of this Agreement;
- (c) to the best of the Applicant's information and belief and after making diligent inquiries the Applicant is not aware of any material facts or circumstances which have not been disclosed to the City;
- (d) there are no outstanding judgments, injunctions, or administrative or regulatory directives, writs of execution, encroachments, rights-of-way, deed restrictions, leases or tenancies or other agreements, mortgages work orders, against the Applicant or the Property that might reasonably be seen to have a materially adverse impact upon the Applicant's prospects or the condition or value as security of the Property or affecting the use of the Property;
- (e) the execution, delivery and performance of each of the Credit Documents to which each Obligor is a party, and every other instrument or agreement delivered by an Obligor pursuant to any Credit Document, has been duly authorized, and each of such documents has been duly executed and delivered;
- (f) none of the execution or delivery of, the consummation of the transactions contemplated in, or compliance with the terms, conditions and provisions of any of the Credit Documents or any of the agreements or documents delivered in connection therewith, by any Obligor, conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under or contravention of, any Law;
- (g) each Obligor has obtained, made, or taken all consents, approvals, authorizations, declarations, registrations, filings, notices and other actions whatsoever required (except for registrations or filings which may be required in respect of the Security) in connection with the execution and

delivery by it of each of the Credit Documents to which it is a party, and the consummation of the transactions contemplated in the Credit Documents;

- (h) this Agreement and the other Credit Documents have been duly executed and delivered and constitute legal, valid and binding obligations of each Obligor (with regard to each agreement or instrument to which it is a party) enforceable in accordance with their respective terms;
- (i) the Applicant has good and marketable fee simple title to the Property subject to no Encumbrances other than those permitted by the City. Applicant enjoys peaceful and undisturbed possession of the Property and there is no pending or, to the knowledge of the Applicant, threatened condemnation or expropriation proceeding relating to any such real property.
- (j) The Property and the structures thereon are:
 - (i) structurally sound with no known material defects; and
 - (ii) in conformity with all Applicable Law and other requirements (including applicable zoning, Building Code, environmental, motor vehicle safety, occupational safety and health laws and regulations) relating thereto;
- (k) None of the Obligors:
 - (i) has committed any act of bankruptcy;
 - (ii) is insolvent, or has proposed or given notice of its intention to propose, a compromise or arrangement to their creditors generally;
 - (iii) has had any petition for a receiving order in bankruptcy filed against any to them,
 - (iv) has made a voluntary assignment in bankruptcy,
 - (v) has taken any proceeding with respect to any compromise or arrangement;
 - (vi) has taken any proceeding to have itself declared bankrupt or wound-up;
 - (vii) has taken any proceeding to have a receiver appointed of any part of its assets;
 - (viii) has had any Encumbrancer take possession of any of its property; or
 - (ix) has had an execution or distress become enforceable or become levied on any of its property including the Property.
- (l) all information, representations, statements and declarations (collectively referred to as the "Information") furnished by or on behalf of the Obligors to the City for purposes of, or in connection with, this Agreement or any of the other Credit Documents, or any other transaction contemplated by this Agreement is or will be true and accurate in all material respects on the date as of which the Information is given and not incomplete by omitting to state any material fact necessary to make the Information not misleading at such time in light of then-current circumstances. There is no fact now known to any of the Applicants which has had, or could reasonably be expected to have, a Material Adverse Effect; and

- (m) the Applicant acknowledges and agrees that they have been advised by the City or its appointed representative to consult a lawyer before executing this Agreement and of the other Credit Documents. The Applicant further acknowledges and agrees that it has either obtained independent legal advice from their own lawyer with respect to the terms of this Agreement and of the other Credit Documents prior to execution or declined seeking such independent legal advice. Nevertheless, the Applicant herein acknowledges that they have read this Agreement and the other Credit Documents, understand the terms and conditions and the Applicant's rights and obligations under this Agreement and the other Credit Documents and agree to be bound by same. The Applicant acknowledges and agrees that this Agreement and the other Credit Documents. The executed Certificate of Independent Legal Advice or waiver of same attached hereto as Schedule "B" shall constitute prima facie evidence of aforesaid legal consultation and independent legal advice or that the Applicant declined to do obtain same.

(2) Supporting Documentation

Upon request, the Applicant shall provide the City with proof of the matters referred to in Section 13(1).

14. SURVIVAL AND REPETITION OF REPRESENTATIONS AND WARRANTIES

The representations, warranties and covenants contained in this Agreement, including any schedule hereto, and in the Credit Documents to be executed and delivered pursuant to this Agreement shall be considered to be relied upon by the City and shall not merge and shall survive the execution and delivery of this Agreement and notwithstanding any investigations made by or on behalf of the City shall survive continue in full force and effect for the term of this Agreement.

15. FURTHER ASSURANCES

The Applicant and the City shall promptly cure any default by it in the execution and delivery of this Agreement and any of the other Credit Documents or any other agreements provided for in this Agreement to which it is a party. The Applicant, at its own expense, shall promptly execute and deliver to the City, upon request by the City, all further documents, agreements, opinions, certificates and instruments in compliance with, or accomplishment of the covenants and agreements of the Applicant under this Agreement or other Credit Documents, or more fully to state the obligations of the Applicant as set forth in this Agreement or other Credit Documents or to make any recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection with this Agreement or any of the other Credit Documents from time to time. The City reserves its right to require financial disclosure respecting any Obligor and the Property, as it may be applicable.

16. AGREEMENT NOT WAIVER

This Agreement is made entirely for the convenience and benefit of the Applicant and is in no way to be construed as a waiver or surrender of any rights or remedies that the City may have to recover the Development Charge by any lawful means from present and future owners of the Property or as taxes upon the Property.

17. OBLIGATIONS JOINT AND SEVERAL

The obligations and liabilities of the Applicant, if more than one, under this Agreement shall be both joint and several.

18. NOTICE

(1) **Notice**

Any notice under this Agreement shall be deemed to have been given if delivered personally or mailed by registered mail to:

- (i) City of Hamilton
71 Main St. West, City Hall, 1st Floor
HAMILTON, Ontario
L8P 4Y5
Attention: General Manager Finance & Corporate Services
- (ii) to the Applicant:
Areacor Inc.
#270 – 2869 Bloor St. W.
Etobicoke, Ontario
M8X 1B3

Attention: Roni Gilyana
- (iii) or to such other address which the Parties to be notified shall have given written notice to the other Parties.

(2) **From General Manager Finance & Corporate Services**

For the purpose of this Agreement, written notice from the General Manager Finance & Corporate Services shall be deemed to be written notice from the City. Further, if there is more than one Applicant, written notice by or to one of the Applicants shall be deemed to be written notice by or to all of the Applicants, as the case may be.

(3) **Time**

Any notice given or delivered pursuant to this paragraph shall be deemed to have been given and received on the day on which it was received.

(4) **Title of Staff Person**

The Applicant acknowledges that the title and address for the staff person at City to which notice must be provided may change from time to time and that it is the responsibility for the Applicant to obtain the correct information prior to any notice being provided to the City to ensure that notice is provided in compliance with this Agreement.

(5) **Change of Address**

Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with Sections 18(1), 18(2), 18(3) and 18(4).

19. ENTIRE AGREEMENT

This Agreement contains the entire and only understanding between the Parties relating to the subject matter of this Agreement and supersedes all prior agreements, arrangements, promises, representations or other understandings, whether written or oral, between them.

20. AMENDMENT AND WAIVER

No provisions of this Agreement or any other Credit Document shall be amended or altered except by further written agreement between the City and the Applicant. No covenant or condition in this Agreement or any other Credit Document shall be deemed waived or consented to by the City, unless such waiver or consent is in writing and signed by the authorized representative of the City. No Event of Default shall be deemed waived or consented to by the City, unless such waiver or consent is in writing and signed by an authorized representative of the City. Any waiver granted by the City, shall be effective for the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the City under this Agreement or any other Credit Document or instrument executed pursuant to this Agreement as a result of any other default or breach under this Agreement or any other Credit Document. No waiver of a provision of this Agreement or any other Credit Documents shall operate as a waiver of any other provision or of the same provision on a future occasion.

21. SEVERABILITY

If any of the provisions of this Agreement or their application to any person or circumstance are to any extent illegal, invalid or unenforceable, the remainder of this Agreement shall be construed as if such illegal, invalid or unenforceable provision had never been contained in it.

22. GOVERNING LAW

This Agreement is made and shall be governed and construed in accordance with the laws of the Province of Ontario, Canada.

23. SUCCESSORS AND ASSIGNS

This Agreement and the Credit Documents shall be binding upon and shall ensure to the benefit of the City and the Applicant and their respective successors and assigns. The Applicant may not assign or transfer its rights and obligations under this Agreement or any of the other Credit Documents without the prior written consent of the City and the City's consent may be arbitrarily withheld. The Applicant shall not dispute the City withholding any consent to assign the Agreement or the other Credit Documents. The City may assign or transfer its rights and obligations under this Agreement or any of the other Credit Documents without the Applicant's consent.

24. DISCHARGE and PARTIAL DISCHARGES

If part of the Property is severed and conveyed as a separate parcel or lot or as a condominium unit a partial discharge of the Mortgage for the part severed and conveyed may be permitted under this Agreement, on payment of the Development Charge or a portion of the Development Charge as determined by the City in its sole and unfettered discretion, together with the accrued interest, provided:

- (1) there are no arrears owing under this Agreement; and
- (2) the Applicant's lawyer prepares, at the Applicant's expense,
 - (i) the discharge or partial discharge in a form satisfactory to the municipality incorporating a current legal description of the applicable land;
 - (ii) a lawyer's certificate to the municipality in a form satisfactory to the City's Solicitor that the discharge or partial discharge has been prepared as required by the municipality and registered at the Applicant's expense and a duplicate registered copy thereof or evidence of its electronic registration has been provided to the Finance Department; and,

- (iii) where electronic registration of the discharge or partial discharge is applicable, such discharge shall be prepared by the Applicant's lawyer and submitted via Teraview to the City's Solicitor for approval as to form and registration.

25. FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

The Applicant acknowledges that the City is bound by the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.M.56, as amended ("MFIPPA") and that the Agreement and any information provided to the City in connection with the Development or otherwise in connection with this Agreement may be subject to disclosure in accordance with MFIPPA.

26. NO RELATIONSHIP

No partnership is created by the Agreement. Nothing contained in the Agreement shall or shall be deemed to constitute the City and the Applicant partners, agents, joint venturers, employees or any other relationship whereby either could be held liable for any act or omission of the other. The Applicant shall not take any actions that could imply one of the foregoing relationships. Neither the City nor the Applicant shall have any authority to act for the other or incur any obligation or responsibility on behalf of the other.

27. TAXES

All payments to be made to the City pursuant to the Credit Documents shall be made free and clear of, and without reduction for or on account of, any present or future Taxes; provided, however, if any Taxes are required by Applicable Law or the interpretation or application thereof by any court or Government Authority to be withheld from any interest or other amount payable to the City under any Credit Document, the amount so payable to the City shall be increased to the extent necessary to yield to the City, on a net basis after payment of all Taxes (including all Taxes imposed on any additional amounts payable under this subsection), interest or any such other amount payable under such Credit Document at the rate or in the amount specified in such Credit Document. Each Obligor shall be fully liable and responsible for and shall, promptly following receipt of a request from the City, pay to the City on its behalf or on behalf of the other Obligors, any and all Taxes in the nature of sales, use, and goods and services Taxes payable under the laws of Canada or any Province of Canada, or payable under the laws of any other country or jurisdiction with respect to any and all goods and services made available under the Credit Documents to any Obligor by the City. Whenever any Taxes are payable by an Obligor, as promptly as possible thereafter that Obligor shall send or cause to be sent to the City, a certified copy of an original official receipt showing payment of such Taxes. If an Obligor fails to pay any Taxes when due or if an Obligor fails to remit to the City the required documentary evidence of such payment, the Applicant shall indemnify and save harmless the City from any Taxes or other liabilities that may become payable by the City or to which the City may be subjected as a result of any such failure. A certificate of the City as to the amount of any such Taxes and containing reasonable details of the calculation of such Taxes shall be, absent manifest error, prima facie evidence of the amount of such Taxes.

28. ILLEGALITY

If, after the date of this Agreement, the adoption of or change to any Applicable Law, or any change in the interpretation or application thereof by any court or by any Governmental Authority, now or hereafter makes it unlawful or impossible for the City to continue or maintain the or to give effect to its obligations in respect of the, the City may, by written notice to the Applicant, declare its obligations under this Agreement to be terminated, whereupon the same shall forthwith terminate, and the Applicant shall prepay within the time required by such Law (or at the end of such longer period as the City at its sole, absolute and unfettered discretion has agreed) the amount of the Development Charge that has not been paid together with accrued interest and all

costs, losses and expenses incurred by the City by reason of the liquidation or re-employment of deposits or other funds or for any other reason whatsoever resulting from the payment of the Development Charge. If any such change shall only affect a portion of the City's obligations under this Agreement which is, in the opinion of the City and the City's Counsel in their sole, absolute and unfettered discretion, acting reasonably, severable from the remainder of this Agreement, so that the remainder of this Agreement may be continued in full force and effect without otherwise affecting any of the obligations of the City or the Applicant under this Agreement, the City shall solely declare its obligations under that portion so terminated.

29. FURTHER ASSURANCES

The Applicant and the City shall promptly cure any default by it in the execution and delivery of this Agreement, the Credit Documents or any other agreements provided for in this Agreement to which it is a party. The Applicant at its own expense, shall promptly execute or cause to be made, done or executed, and delivered to the City all further and lawful acts, deeds, things, devices, conveyances, documents, agreements, opinions, certificates, instruments, consents, notices and assurances whatsoever for effecting the intent of this Agreement the Credit Documents or any other agreements provided for in this Agreement to which it is a party as the City shall advise or request. The City reserves its right to require financial disclosure respecting both the Applicant and the Property, as it may be applicable.

30. TIME

Time shall be of the essence in this Agreement.

31. CONSENT

The City may impose, in sole and unfettered discretion, any terms and/or conditions on any consent the City may grant pursuant to the Agreement.

IN WITNESS WHEREOF the Parties have hereunto affixed their corporate seals under the hands of the proper officers duly appointed in that behalf.


SIGNED, SEALED & DELIVERED
in the presence of:


Approved
Finance Department

APPROVED
AS TO FORM

LEGAL SERVICES

CITY OF HAMILTON

per: 
Brian McMullen, Acting General
Manager of Finance and
Corporate Services

Date of Execution

AREACOR INC,

per: 
Name: Roni Gilyana
Title: President

I/We have authority to bind the corporation

Date of Execution

SCHEDULE "A"
Legal Description of the Property

Part of Lot 13, Block 6, Plan 39, as in VM97602, City of Hamilton, being all of PIN 17586-0002 (LT)

Part of Lot 13, Block 6, Plan 39, as in HL269921, City of Hamilton, being all of PIN 17586-0003 (LT)

SCHEDULE "B"
Certificate of Independent Legal Advice

INDEPENDENT LEGAL ADVICE

of the DC Deferral Agreement between the City of Hamilton and the Applicant named below.

Independent Legal Advice

The Applicant represents, which representation the City is relying upon, that it:

- (a) hereby acknowledges and agrees that it has been advised by the City of Hamilton or its appointed representative to obtain independent legal advice with respect to the above-referenced Agreement.
- (b) has had an opportunity to obtain independent legal advice and has obtained same or having had the opportunity to obtain independent legal advice has refused or declined same;
- (c) has read this Agreement in its entirety and has full knowledge of its contents;
- (d) understand its respective rights and obligations under this Agreement, the nature and the consequences of this Agreement and agree to be bound by the terms of this Agreement;
- (e) acknowledge that the terms of this Agreement are fair and reasonable;
- (f) are subject to no coercion or undue influence; and
- (g) are signing this Agreement voluntarily.

AREACOR INC.

Per:

Name: Roni Gilyana

Title: President

Name:

Title:

I/We have authority to bind the Corporation

Date of Signature:

TAB N

SCHEDULE "A"LRO # 62 **Construction Lien**

Received as WE1567387 on 2021 12 10 at 10:54

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 1

Properties

PIN 17586 - 0153 LT
 Description PART OF LOT 13, BLOCK 6 PLAN 39, PART 1 ON 62R21575; SUBJECT TO AN EASEMENT AS IN WE1493193; CITY OF HAMILTON
 Address HAMILTON

Consideration

Consideration \$2,436,674.66

Claimant(s)

Name FUSIONCORP DEVELOPMENTS INC.
 Address for Service c/o Glaholt Bowles LLP
 800-141 Adelaide Street West
 Toronto ON M5H 3L5
 Attention: Mr. Brendan D. Bowles
 BrendanBowles@Glaholt.com

I, Nick Ainis, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

I, Nick Ainis, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Statements

Name and Address of Owner AREACOR INC., Suite #270 - 2869 Bloor Street, West Etobicoke ON M8X 1B3 Canada Name and address of person to whom lien claimant supplied services or materials AREACOR INC., Suite #270 - 2869 Bloor Street, West Etobicoke ON M8X 1B3 Canada Time within which services or materials were supplied from 2019/01/07 to 2021/10/27 Short description of services or materials that have been supplied construction management services, labour and materials pertaining to the new construction of a 6 story condominium consisting of 40 units and commercial and basement areas Contract price or subcontract price \$8,916,878.00 (excluding HST) Amount claimed as owing in respect of services or materials that have been supplied \$2,436,674.66 (inclusive of HST)

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Signed By

Justyne Alexia Escujuri	141 Adelaide St. W. Toronto M5H 3L5	acting for Applicant(s)	Signed 2021 12 10
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Tel 416-368-8280

Fax 416-368-3467

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

GLAHOLT LLP	141 Adelaide St. W. Toronto M5H 3L5	2021 12 10
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Tel 416-368-8280

Fax 416-368-3467

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 1

Properties

PIN 17586 - 0153 LT
Description PART OF LOT 13, BLOCK 6 PLAN 39, PART 1 ON 62R21575; SUBJECT TO AN EASEMENT AS IN WE1493193; CITY OF HAMILTON
Address HAMILTON

Consideration

Consideration \$176,618.64

Claimant(s)

Name DEMAND ELECTRIC INC.
Address for Service c/o Sutherland Law
 3300 Highway #7
 Suite 904
 Vaughan, Ontario
 L4K 4M3

I, JASON EDWARDS, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

This document is not authorized under Power of Attorney by this party.

Statements

Name and Address of Owner AREACOR INC., Suite #270, 2869 Bloor Street West, Etobicoke, Ontario M8X 1B3; 48 Leatherhead Court, Brampton, Ontario L6S 5E8 Name and address of person to whom lien claimant supplied services or materials 1. AREACOR INC., Suite #270, 2869 Bloor Street West, Etobicoke, Ontario M8X 1B3; 48 Leatherhead Court, Brampton, Ontario L6S 5E8 Time within which services or materials were supplied from 2020/05/26 to 2022/01/05 Short description of services or materials that have been supplied The supply of services and material with respect to electrical work including but not limited to the main grounding for electrical room, high voltage switch, main transformer, secondary switchgear Contract price or subcontract price \$829,081.00 Amount claimed as owing in respect of services or materials that have been supplied \$176,618.64

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien Schedule: Name and Address of Owner: AREACOR INC., Suite #270, 2869 Bloor Street West, Etobicoke, Ontario M8X 1B3; 48 Leatherhead Court, Brampton, Ontario L6S 5E8. Name and address of person to whom lien claimant supplied services or materials: 2. FUSIONCORP DEVELOPMENTS INC., 2971 Lakeshore Blvd. West, Toronto, Ontario M8V 1V5. Short description of services or materials that have been supplied The supply of services and material with respect to electrical work including but not limited to the main grounding for electrical room, high voltage switch, main transformer, secondary switchgear Contract price or subcontract price \$829,081.00 Amount claimed as owing in respect of services or materials that have been supplied \$176,618.64

Signed By

Anne Teixeira	3300 Highway 7, Suite 904 Vaughan L4K 4M3	acting for Applicant(s)	Signed	2022 01 11
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Tel 905-695-5500

Fax 905-695-5501

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

SUTHERLAND PROFESSIONAL CORPORATION	3300 Highway 7, Suite 904 Vaughan L4K 4M3	2022 01 11
-------------------------------------	---	------------

Tel 905-695-5500

Fax 905-695-5501

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 1

Properties

PIN 17586 - 0153 LT
Description PART OF LOT 13, BLOCK 6 PLAN 39, PART 1 ON 62R21575; SUBJECT TO AN EASEMENT AS IN WE1493193; CITY OF HAMILTON
Address 15 CANNON STREET WEST
 HAMILTON

Consideration

Consideration \$88,692.15

Claimant(s)

Name EARL O'NEIL ELECTRIC SUPPLY LIMITED
Address for Service c/o 5464 Dundas Street West, Suite 200,
 Toronto, Ontario
 M9B 1B4

I, Walter Kravchuk, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

This document is not authorized under Power of Attorney by this party.

Statements

Name and Address of Owner Areacor Inc., 15 Cannon Street West, Hamilton, Ontario Name and address of person to whom lien claimant supplied services or materials Demand Electric Inc. 164 Trowers Road, Woodbridge, Ontario Time within which services or materials were supplied from 2021/07/30 to 2022/01/26 Short description of services or materials that have been supplied Electrical supplies and equipment including transformer and switchgear, as well as applicable freight, handling and storage. Contract price or subcontract price \$111,885.40 Amount claimed as owing in respect of services or materials that have been supplied \$88,692.15

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Signed By

Richard Lance Diniz 5464 Dundas Street W., Suite 200 acting for Signed 2022 01 28
 Toronto Applicant(s)
 M9B 1B4

Tel 416-231-6555

Fax 416-231-6630

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

MCBRIDE WALLACE LAURENT & CORD LLP 5464 Dundas Street W., Suite 200 2022 01 28
 Toronto
 M9B 1B4

Tel 416-231-6555

Fax 416-231-6630

Fees/Taxes/Payment

Statutory Registration Fee \$66.30
Total Paid \$66.30

File Number

Claimant Client File Number : K22-101

The applicant(s) hereby applies to the Land Registrar.

Properties

PIN 17586 - 0153 LT
Description PART OF LOT 13, BLOCK 6 PLAN 39, PART 1 ON 62R21575; SUBJECT TO AN EASEMENT AS IN WE1493193; CITY OF HAMILTON
Address 15 CANNON STREET WEST
HAMILTON

Consideration

Consideration \$52,545.54

Claimant(s)

Name NORTHSTAR SCAFFOLD (ONTARIO) INC.
Address for Service c/o Kennaley Construction Law
Suite 305 - 31 Mechanic Street, Paris,
ON N3L 1K1

I, Paul Zvonar, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

This document is not authorized under Power of Attorney by this party.

Statements

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien Schedule: See Schedules

Signed By

Peter Currie 54 Cecil Street acting for Signed 2022 03 14
Toronto Applicant(s)
M5T 1N4

Tel 416-593-1301

Fax 416-593-4734

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

711219 ONTARIO LIMITED 54 Cecil Street 2022 03 14
Toronto
M5T 1N4

Tel 416-593-1301

Fax 416-593-4734

Fees/Taxes/Payment

Statutory Registration Fee \$66.30

Total Paid \$66.30

THE CONSTRUCTION ACT, R.S.O. 1990, c. C. 30, as amended
CLAIM FOR LIEN
Under Section 34 of the Act

Name of Lien Claimant: NORTHSTAR SCAFFOLD (ONTARIO) INC.

Address for Service: c/o Kennaley Construction Law
Suite 305 - 31 Mechanic Street, Paris, ON N3L 1K1

Name of owner: AREACOR INC.

Address: 48 Leatherhead Court, Brampton, ON L6S 5E8

Name of person to whom lien claimant supplied services or materials:

AREACOR INC.

Address: 48 Leatherhead Court, Brampton, ON L6S 5E8

FUSIONCORP DEVELOPMENTS INC.

Address: 2971 Lakeshore Blvd West, Toronto, ON M8V 1V5

Time within which services or materials were supplied:

from April 23, 2021 **to** March 14, 2022
(date supply commenced) *(date of most recent supply)*

Short description of services or materials that have been supplied:

Supply scaffolding and shoring related services and materials in relation to a condominium project.

Contract price or subcontract price: \$52,545.54 (inclusive of H.S.T.)

Amount claimed as owing in respect of services or materials that have been supplied: \$52,545.54 (inclusive of H.S.T.)

A. The lien claimant claims a lien against the interest of every person identified above as an owner of the premises described in Schedule "A" to this claim for lien.

DATE: March 14, 2022

THE CONSTRUCTION ACT, R.S.O. 1990, c. C. 30, as amended
CLAIM FOR LIEN

SCHEDULE "A"

To the claim for lien of: NORTHSTAR SCAFFOLD (ONTARIO) INC.

PIN: 17586-0153 (LT)

PROPERTY DESCRIPTION: PART OF LOT 13, BLOCK 6 PLAN 39, PART 1 ON
62R21575; SUBJECT TO AN EASEMENT AS IN WE1493193; CITY OF HAMILTON

TAB O

Jamesville

Lofts

Hamilton

Draw #35

Oct 2021



CONTRACTOR'S APPLICATION FOR PAYMENT

From : Fusioncorp Developments Inc.,
2066 Avenue Road, 2nd Floor
Toronto, ON, M5M 4N3

Date : October 31, 2021
Application No. : 35
Period Ending : October 31, 2021

Attn: Areacor Inc.,
Suite #270-2869 Bloor St. W
Etobicoke, ON, M8X 1B3

Attention : Roni Gilyana

Project : Jamesville Lofts Project In Hamilton, ON

Contract No. : 2019-11

Original Contract Price		\$	8,612,878.00
Change Order#2 - Issued on Thursday July 18th 2019	\$	8,574,878.00	\$ 38,000.00
New Contract Price		\$	8,574,878.00
Change Orders#1 - Issued on March 18th 2019		\$	304,000.00
Change Order#2 - Issued on Thursday July 18th 2019	\$	342,000.00	\$ 38,000.00
Present Contract Price		\$	8,916,878.00
CO#03 for HC Matcon & Mantor	\$	40,513.00	\$ 8,957,391.00
CO#04 for HC Matcon	\$	30,150.00	\$ 8,987,541.00
CO#05 for Kent Metal	\$	31,015.50	\$ 9,018,556.50
CO#06 for Coreslab	\$	12,588.00	\$ 9,031,144.50
CO#08 for Cartier Ktchen	\$	1,800.00	\$ 9,032,944.50
CO#09 for Medcon	\$	2,433.00	\$ 9,035,377.50
New Contract price		\$	9,035,377.50
Total Value of General Conditions + CM Fees+ Trades work Performed to Date		\$	4,093,115.64
HB of 10%		\$	409,311.56
Less: HB Released		\$	61,907.20
Current HB Outstanding up to this draw		\$	347,404.36
Less Amount Previously Certified GC Fee+CM+Trades		\$	3,911,345.21
Amount of this Application GC Fees+CM Fees+Trades Fees		\$	181,770.43
Less 10 % Hold Back		\$	18,177.04
Total Amount of this Application		\$	163,593.39
13% HST		\$	21,267.14

Amount of this Application

\$ 184,860.53

Jamesville Lofts, October 31, 2021			
General Conditions 103000:	Trade/Supplier	Invoice #	Amount (before HST):
Site Superintendent Mark fee	October 01 - October 31st		\$ 12,025.94
Site Superintendent cell, Travel & Gas	October 01 - October 31st		\$ 409.71
Fence Rental	Sunbelt	71864164-0029	\$ 24.00
Fence Rental	Sunbelt	71399393-0034	\$ 239.20
Fence Rental	Sunbelt	71639294-0031	\$ 36.00
Storage Container	Sunbelt	71471995-0033	\$ 150.00
Trailer	Trailer-Wilscot	9011915075	\$ 1,578.44
Video Monitoring	Live Patrol	10885	\$ 1,300.00
Portables Toilet	Five Star Portable Toilets	14986	\$ 540.00
Photocopying	Xerox	961420411	\$ 230.51
Utilities	Electra-august	450848023521	\$ 88.24
Scaffolding as per Jamesville's owner EOR Centric Engineering.	Scaffolding-North Star	inv#75404	\$ 4,519.86
Fencing	Skyway	L10552	\$ 996.00
Construction Software	Procure Total \$968.83/3=322.94	July	\$ 322.94
Sub Total GC Expense			\$ 22,460.84
Construction Management Fee for October 2021			
CM fees Revised \$45412.14/12months(May 2021 to April 2022=\$3784.34)			\$ 3,784.34
Total	Total		\$ 26,245.18



INVOICE

203

SEND ALL PAYMENTS TO:
 SUNBELT RENTALS, INC
 PO BOX 99257, STATION TERMINAL
 VANCOUVER, BC V6B 0N5

INVOICE NUMBER	71864164-0029
ACCOUNT NUMBER	7022306
INVOICE DATE	10/22/21
PAGE 1	

INVOICE TO
 FUSIONCORP DEVELOPMENTS INC
 2066 AVENUE ROAD
 2ND FLOOR
 TORONTO, ON M5M 4A6

JOB ADDRESS
 11-15 CANNON ST WEST, HAMILTON
 FUSIONCORP DEVELOPMENTS INC
 11-15 CANNON ST WEST
 HAMILTON, ON L8R 2B2
 C#: 416-628-4394 J#: 647-282-3843

RECEIVED BY ROCCO, R	CONTRACT NUMBER 71864164
PURCHASE ORDER NUMBER ROCCO	
JOB NUMBER CANNON ST	
BRANCH 7028 HAMILTON ON PC7028 21 WARRINGTON ST HAMILTON, ON L8E 3L1 905-667-0704	

QTY	EQUIPMENT #	Min	Day	Week	4 Week	Amount
6.00	FENCE PROTEC BASE PLATE	.50	.50	.50	.50	3.00
6.00	FENCE PANEL CLIP / CLAMP	.50	.50	.50	.50	3.00
6.00	FENCE PANEL LIGHT 10FT	3.00	3.00	3.00	3.00	18.00
Rental Sub-total :						24.00

BILLED FOR FOUR WEEKS 10/21/21 THRU 11/17/21.

GST/HST# R102235256				SUBTOTAL	24.00
PST		GST		TAX	3.12
HST	3.12	QST		INVOICE TOTAL	27.12

4 WEEK BILL

NET DUE UPON RECEIPT



INVOICE

204

SEND ALL PAYMENTS TO:
 SUNBELT RENTALS, INC
 PO BOX 99257, STATION TERMINAL
 VANCOUVER, BC V6B 0N5

INVOICE NUMBER	71639294-0031
ACCOUNT NUMBER	7022306
INVOICE DATE	10/05/21
PAGE 1	

INVOICE TO FUSIONCORP DEVELOPMENTS INC 2066 AVENUE ROAD 2ND FLOOR TORONTO, ON M5M 4A6
JOB ADDRESS 11-15 CANNON ST WEST, HAMILTON FUSIONCORP DEVELOPMENTS INC 11-15 CANNON ST WEST HAMILTON, ON L8R 2B2 C#: 416-628-4394 J#: 647-282-3843

RECEIVED BY SAM, S	CONTRACT NUMBER 71639294
PURCHASE ORDER NUMBER SSOARES	
JOB NUMBER CANNON ST	
BRANCH 7028 HAMILTON ON PC7028 21 WARRINGTON ST HAMILTON, ON L8E 3L1 905-667-0704	

QTY	EQUIPMENT #	Min	Day	Week	4 Week	Amount
6.00	FENCE PROTEC BASE PLATE	3.00	3.00	3.00	3.00	18.00
6.00	FENCE PANEL CLIP / CLAMP	3.00	3.00	3.00	3.00	18.00
Rental Sub-total:						36.00

BILLED FOR FOUR WEEKS 10/04/21 THRU 10/31/21.

GST/HST# R102235256				SUBTOTAL	36.00
PST		GST		TAX	4.68
HST	4.68	QST		INVOICE TOTAL	40.68

4 WEEK BILL

NET DUE UPON RECEIPT



INVOICE

SEND ALL PAYMENTS TO:
 SUNBELT RENTALS, INC
 PO BOX 99257, STATION TERMINAL
 VANCOUVER, BC V6B 0N5

205	
INVOICE NUMBER	71399393-0034
ACCOUNT NUMBER	7022306
INVOICE DATE	10/05/21
PAGE 1	

INVOICE TO FUSIONCORP DEVELOPMENTS INC 2066 AVENUE ROAD 2ND FLOOR TORONTO, ON M5M 4A6
JOB ADDRESS 11-15 CANNON ST WEST, HAMILTON FUSIONCORP DEVELOPMENTS INC 11-15 CANNON ST WEST HAMILTON, ON L8R 2B2 C#: 416-628-4394 J#: 647-282-3843

RECEIVED BY Fazari, Sam	CONTRACT NUMBER 71399393
PURCHASE ORDER NUMBER SSOARES	
JOB NUMBER CANNON ST	
BRANCH 7028 HAMILTON ON PC7028 21 WARRINGTON ST HAMILTON, ON L8E 3L1 905-667-0704	

QTY	EQUIPMENT #	Min	Day	Week	4 Week	Amount
52.00	FENCE PROTEC BASE PLATE					N/C
52.00	FENCE PANEL CLIP / CLAMP					N/C
52.00	FENCE PANEL LIGHT 10FT	4.00	4.00	4.00	4.00	208.00
	1 RENTAL PROTECTION PLAN					Rental Sub-total: 208.00
						31.20

BILLED FOR FOUR WEEKS 10/04/21 THRU 10/31/21.

GST/HST# R102235256				SUBTOTAL	239.20
PST		GST		TAX	31.10
HST	31.10	QST		INVOICE TOTAL	270.30

4 WEEK BILL

NET DUE UPON RECEIPT



INVOICE

SEND ALL PAYMENTS TO:
 SUNBELT RENTALS, INC
 PO BOX 99257, STATION TERMINAL
 VANCOUVER, BC V6B 0N5

206

INVOICE NUMBER	71471995-0033
ACCOUNT NUMBER	7022306
INVOICE DATE	10/06/21
PAGE 1	

INVOICE TO FUSIONCORP DEVELOPMENTS INC 2066 AVENUE ROAD 2ND FLOOR TORONTO, ON M5M 4A6
JOB ADDRESS 11-15 CANNON ST WEST, HAMILTON FUSIONCORP DEVELOPMENTS INC 11-15 CANNON ST WEST HAMILTON, ON L8R 2B2 C#: 416-628-4394 J#: 647-282-3843

RECEIVED BY Paris, Brandon	CONTRACT NUMBER 71471995
PURCHASE ORDER NUMBER N/A	
JOB NUMBER CANNON ST	
BRANCH 7028 HAMILTON ON PC7028 21 WARRINGTON ST HAMILTON, ON L8E 3L1 905-667-0704	

QTY	EQUIPMENT #	Min	Day	Week	4 Week	Amount
1.00	20' STORAGE CONTAINER 70049216 Make: MOVING BOX Model: CONTAINER20 Ser #: CRXU1085206	150.00	150.00	150.00	150.00	150.00
Rental Sub-total:						150.00

BILLED FOR FOUR WEEKS 10/05/21 THRU 11/01/21.

GST/HST# R102235256				SUBTOTAL	150.00
PST		GST		TAX	19.50
HST	19.50	QST		INVOICE TOTAL	169.50

4 WEEK BILL

NET DUE UPON RECEIPT

WILLSCOT

11755 231 STREET NW
EDMONTON AB T5S 2C5

(800) 782-1500, Option 1
customersuccess@willscot.com
www.willscot.com
GST# 892293226RT0001



INVOICE

207

Customer #	Invoice #	Invoice Date	Seq #	Terms
10461447	9011915075	10/18/2021	006	DUE NOW
PAYMENT DUE			\$1,783.64	
INVOICE DUE DATE			10/18/2021	

FUSION CORP
KING GEORGE SCHOOL LOFTS INC AND K
2066 AVENUE RD; 2ND FLOOR
TORONTO ON M5M 4A6
CANADA

BRANCH:

MD SARNIA ON
276 MCGREGOR ROAD
SOUTH
SARNIA ON N7T 7H5
(519) 336-1010

Contract #	Previous Customer #	Bill to ID	Customer PO	Ordered By	Rental Period	Job Location
W1196860	20723871	142061	02	Rocco Valela 4166766181	9/19/2021 - 10/18/2021	FUSION CORP 15 CANNON ST W HAMILTON ON L9C 5W8

Quantity	Item #/Description	Price/Rate	Amount	
1	56X12 MOBILE OFFICE (52X12 BOX MDS-644376	\$1,140.63 Rental	\$1,140.63	T*
2	INTERIOR WALL-RENTAL	\$31.25	\$62.50	T*
2	STEPS - OSHA ALUMINUM RENTAL	\$46.88	\$93.76	T*
1	MISSING LIABILITY CERT FEE	\$20.00	\$20.00	T*
1	MISSING PROP DAMAGE CERT FEE	\$105.00	\$105.00	T*
1	INTEREST CHARGE	\$137.35	\$137.35	N*
Sub-total			\$1,559.24	
Late Payment Fee #0.00			\$35.00	T*
GST/HST			\$189.40	
INVOICE TOTAL			\$1,783.64	

Invoice in CAD

T* - Denotes taxable item, N* - Denotes non-taxable item.



PAYMENT OPTIONS

Welcome to the WillScot | Mobile Mini customer portal! Register today to make online payments, sign up for Auto-Pay, or view invoices and statements.

<https://portal.mobilemini.com>

(800) 782-1500, Option 1

You remain responsible for the invoice balance if there is an issue with your method of payment. Late fees and interest charges may be assessed if payment is not made within terms.

Thank you for your business!

PLEASE REMIT WITH PAYMENT

INVOICE TOTAL	\$1,783.64
Invoice #:	9011915075
Due Date:	10/18/2021
Customer:	FUSION CORP
Customer #:	10461447

PLEASE REMIT TO:

WILLIAMS SCOTSMAN CANADA, INC.
C/O 911630
PO BOX 4090 STN A
TORONTO, ON M5W OE9

Live Patrol Inc.

2645 Skymark Ave
 Mississauga ON L4W 4H2
 billing@livepatrol.com
 www.livepatrol.com
 GST/HST Registration No.: 806725636 RT0001

**INVOICE****BILL TO**

Jamesville Lofts Project, Areacor
 Inc. c/o of Fusioncorp
 Developments Inc.
 2066 Avenue Road, 2nd floor
 Toronto Ontario M5M 4A6

INVOICE # 10885
DATE 19-10-2021
DUE DATE 18-11-2021
TERMS Net 30

PROJECT

Jamesville

SERVICES

Video Monitoring

ACTIVITY**Materials**

- 4 x avigilon outdoor infrared 3mp ip cameras with advanced video analytics
- 1 x outdoor 2mp ptz (pan-tilt-zoom) with digital optic zoom
- 2 x speaker, siren, & strobe for remote talk-down
- 1 x live patrol video server (min 14 days recording)
- labour, wiring, configuration & programming

Services**MONTHLY MONITORING FEE:**

- remote video monitoring (M-F 6pm-6am, 24-hours weekends & stat holidays)
- virtual guard tours- check premise for irregular activity
- client reporting- detailed reports of incidents or irregular activity
- incident response- dispatch of authorities
- mobile app & browser link to view cameras remotely
- internet services
- video archiving- video audits and footage retrieval upon request
- live patrol remote system health checks and on-site service

Services

Discount

ACTIVITY	QTY	RATE	AMOUNT
Materials	1	0.00	0.00
Services	1	1,500.00	1,500.00
Services	1	-200.00	-200.00

VIDEO MONITORING FOR NOVEMBER 2021.

SUBTOTAL	1,300.00
HST (ON) @ 13%	169.00
TOTAL	1,469.00
BALANCE DUE	\$1,469.00

TAX SUMMARY

FIVE STARS PORTABLE TOILETS INC.

313 Osborne st
Hamilton, ON L8H 6S5

Invoice

Date	Invoice #
2021-10-20	14986

Phone #	9057193795
---------	------------

Invoice To
Jamesville Lofts Project and c/o of Fusioncorp Development Inc. 2066 Avenue Road, 2nd floor, Toronto ON,

P.O. No.	Terms	Project
		11 Cannon St W, Hamilton

Item	Qty	Description	Rate	Amount
Single Self Contained	1	8.9.2021-6.10.2021	400.00	400.00
Second Weekly Service	4	8.9.2021-6.10.2021	35.00	140.00

Sales Tax Summary

HST (ON)@13.0%	70.20
Total Tax	70.20

Total	\$610.20
--------------	-----------------

RENTAL INVOICE



Installed at

FUSIONCORP
DEVELOPMENTS INC.
11 CANON STREET WEST
HAMILTON, ON
L8R 2B2

Original

Customer No. ▶ 961420411
Invoice No. ▶ R58119245
Invoice Date ▶ SEPT 28, 2021
Terms ▶ PAYABLE UPON RECEIPT

Bill to

FUSIONCORP
DEVELOPMENTS INC.
2066 AVENUE RD
SECOND FLOOR
TORONTO ON
M5M 2A6

Please direct **inquiries** to

XEROX CANADA LTD.
20 YORK MILLS RD.
SUITE 500 BOX 700
TORONTO, ONTARIO
M2P 2C2

Amount
\$260.48

Billing inquiries

To order supplies

1-800-275-9376

1-800-275-9376

Purchase Order No.

Reference No.

Tax Licence No.

TVP No.

NONE

RENTAL CHARGE	SERIAL NO.	PERIOD COVERED	AMOUNT
WORKCENTRE 7845 TANDEM TRAY	MX4341049	SEPT 01/2021 TO SEPT 30/2021	210.00
COPIES MADE FROM	AUG 26/2021	TO SEPT 28/2021	
METER	PREVIOUS	CURRENT	TOTAL
READS	AUG 26/2021	SEPT 28/2021	COPIES
METER 1	50671	50823	152
METER 2	30009	30134	125
			RATE
			PER COPY
			\$0.0280
			\$0.1300
			SUB-TOTAL
			4.26
			16.25
			TOTAL COPY CHARGE
			20.51
			20.51
			ONTARIO H.S.T. 13.00% OF \$230.51
			29.97
			TOTAL AMOUNT PAYABLE
			\$260.48

REMINDER: LATE PAYMENT FEES ARE CHARGED ON OVERDUE ACCOUNTS! PLEASE PAY PROMPTLY.
METER READS TRANSMITTED DIRECTLY FROM YOUR MACHINE HAVE BEEN USED TO CALCULATE THIS INVOICE.

G.S.T./H.S.T. No. 10575 6589 RT0001



Attention:

To apply payment accurately, please detach invoice stub(s)
and forward with cheque to the P.O. Box address shown below.

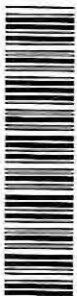
AEORG 04/12

INVOICE NO. R58119245
INVOICE DATE SEPT 28, 2021
CUSTOMER NO. 961420411
FUSIONCORP
FOR XEROX USE ONLY
1T3X 1T7A 1T7A

XEROX CANADA LTD.
PO BOX 4539 STN A
TORONTO ON
M5W 4P5

MX4 11171

Amount
\$260.48



| 270508119245 4 000026048 0 0 -

DUNS:20-178-6993

Account Number
4503535075
Please reference this number when making a payment.

Statement Date	October 15, 2021
Amount Due	\$480.82
Due Date	November 08, 2021

A monthly interest charge equal to 1.5% per month (effective annual rate of 19.56% per annum or 0.04896% compounded daily rate) will be applied if payment is received after the due date.

FUSION CORP
2066 AVENUE RD 2ND FLOOR
NORTH YORK ON M5M 4A6

Service Location: 11 CANNON ST W TEMP HAMILTON ON L8R 2B2
Premise #: 6314324744

Bill #: 450893238103

Service	Meter	From	To	# Days	Previous Reading	Current Reading	Read Type	Multiplier	Usage	Adjustment Factor	Adjusted Usage
Electric	HZN7179470	09/09/2021	10/08/2021	29	70876.26	71303.00	Actual	1.00	426.740 KWH	1.037900	442.913

Your Previous Charges

Amount of Last Bill \$381.11
Payment Received \$0.00
Balance Forward - DUE IMMEDIATELY \$381.11

Your Electricity Charges: General Service Less Than 50 kW

*Electricity provided by Alectra Utilities Corporation as Standard Supply Service

Time Of Use

Summer On-Peak 69.835 kWh @ \$0.17 \$11.87
Summer Mid-Peak 63.516 kWh @ \$0.113 \$7.18
Summer Off-Peak 293.389 kWh @ \$0.082 \$24.06

Delivery \$56.93
Regulatory \$1.98

Your Total Electricity Charges \$102.02

Your Other Charges/Credits

Penalty Adjustment \$3.71
Your Total Other Charges/Credits \$3.71

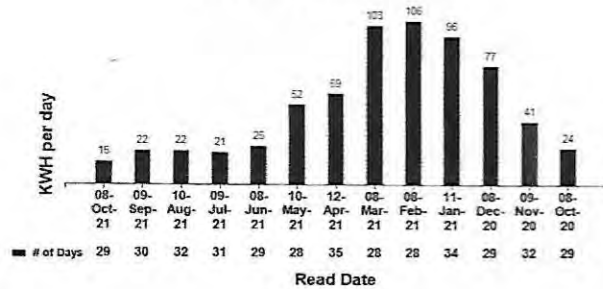
H.S.T. (H.S.T. Registration 728604299) \$13.27

*Ontario Electricity Rebate \$19.29 CR

Total Amount Due by November 08, 2021 \$480.82

*Total Ontario Support : \$19.29 CR. To learn more about the Province's electricity support programs, visit ontario.ca/yourelectricitybill.

Daily Average Electricity Usage



Please make your payments to Alectra Utilities Corporation.

Account Number: 4503535075
Use this number for all types of payments

Please Pay By: November 08, 2021 \$480.82

A monthly interest charge equal to 1.5% per month (effective annual rate of 19.56% per annum or 0.04896% compounded daily rate) will be applied if payment is received after the due date.

Amount Paid:

Northstar Scaffold (Ontario) Inc.
215 Milvan Drive
North York, Ont M9L 2A3, 416-231-1610

Invoice INV-0075404

Date	2021-10-15
Job Site	15 Cannon St W - Fusion Corp - Shoring
Number	D1152A
Order	PO: PO#09, dated April 23 2021

Customer

AREACOR INC. C/O FUSION
CORP
2869 BLOOR ST W, SUTE 270
ETOBICOKE, ON M8X 1B3

Period: 2021-09-13 to 2021-10-10
Job Site Shipping Address:
15 Cannon St W
Cannon St W & James St North
Hamilton, Ontario L8R 2B2, Jay
289-684-8373 (on site)



M: Minimum rental applies
R: Rate change applies

Sales Rep:: Thomas Doug

HST #: 104736590

Please remit payment to Northstar Scaffold (Ontario) Inc.

215 Milvan Drive, North York, ON M9L 2A3

Thank you for your business.

Rental Items

Shipment	Part Number	Description	Qty	From	To	Days	28 Day Ra	Total
DEL-0030478	1002-024	24X STD BRACE (Y=27-3/4"X4')	40	2021-09-13	2021-10-10	28	\$0.50	\$20.00
DEL-0030833	1002-024	24X STD BRACE (Y=27-3/4"X4')	60	2021-09-13	2021-10-10	28	\$0.50	\$30.00
DEL-0030478	1002-044	44X STD BRACE (G=48"X4')	86	2021-09-13	2021-10-10	28	\$0.50	\$43.00
DEL-0030776	1002-044	44X STD BRACE (G=48"X4')	96	2021-09-13	2021-10-10	28	\$0.50	\$48.00
DEL-0030814	1002-044	44X STD BRACE (G=48"X4')	60	2021-09-13	2021-10-10	28	\$0.50	\$30.00
DEL-0030001	1002-045	45X STD BRACE (G=48"X5') DUP 5002-054	8	2021-09-13	2021-10-10	28	\$0.50	\$4.00
DEL-0030001	1009-006	6' PLANK	4	2021-09-13	2021-10-10	28	\$4.00	\$16.00
DEL-0030478	1009-006	6' PLANK	30	2021-09-13	2021-10-10	28	\$4.00	\$120.00
DEL-0030001	1009-008	8' PLANK	16	2021-09-13	2021-10-10	28	\$5.28	\$84.48
DEL-0030478	1009-010	10' PLANK	8	2021-09-13	2021-10-10	28	\$6.60	\$52.80
DEL-0030001	1010-005	5' PLATFORM	8	2021-09-13	2021-10-10	28	\$5.00	\$40.00
DEL-0030814	3000-004	4' ALUMINUM BEAM 6-1/2	52	2021-09-13	2021-10-10	28	\$1.80	\$93.60
DEL-0030478	3000-008	8' ALUMINUM BEAM 6-1/2	60	2021-09-13	2021-10-10	28	\$3.60	\$216.00
DEL-0030776	3000-008	8' ALUMINUM BEAM 6-1/2	16	2021-09-13	2021-10-10	28	\$3.60	\$57.60
DEL-0030814	3000-008	8' ALUMINUM BEAM 6-1/2	64	2021-09-13	2021-10-10	28	\$3.60	\$230.40
DEL-0030897	3000-008	8' ALUMINUM BEAM 6-1/2	50	2021-09-13	2021-10-10	28	\$3.60	\$180.00
DEL-0030478	3000-010	10' ALUMINUM BEAM 6-1/2	16	2021-09-13	2021-10-10	28	\$4.50	\$72.00
DEL-0030478	3010-007	BEAM CLIPS-LARGE-C/W T BOLTS**	370	2021-09-13	2021-10-10	28	\$0.25	\$92.50
DEL-0030001	3021-006	6" W8 X 2 1 I- BEAM (STEEL)	2	2021-09-13	2021-10-10	28	\$6.00	\$12.00
DEL-0030478	5001-034	3X4 - 25K FRAME	27	2021-09-13	2021-10-10	28	\$6.00	\$162.00

Shipment	Part Number	Description	Qty	From	To	Days	28 Day Ra	Total
DEL-0030776	5001-044	4X4 - 25K FRAME	26	2021-09-13	2021-10-10	28	\$6.00	\$156.00
DEL-0030478	5001-064	6X4 - 25K FRAME	22	2021-09-13	2021-10-10	28	\$8.00	\$176.00
DEL-0030478	5002-022	22X BRACE (2'X2') SHOR. ALL ORANGE	16	2021-09-13	2021-10-10	28	\$0.50	\$8.00
DEL-0030001	5005-001	25K SCREWJACK C/W BASE PLATE	4	2021-09-13	2021-10-10	28	\$3.25	\$13.00
DEL-0030478	5005-001	25K SCREWJACK C/W BASE PLATE	90	2021-09-13	2021-10-10	28	\$3.25	\$292.50
DEL-0030776	5005-001	25K SCREWJACK C/W BASE PLATE	28	2021-09-13	2021-10-10	28	\$3.25	\$91.00
DEL-0030478	5005-003	25K SCREWJACK C/W U-HEAD	90	2021-09-13	2021-10-10	28	\$3.25	\$292.50
DEL-0030776	5005-003	25K SCREWJACK C/W U-HEAD	66	2021-09-13	2021-10-10	28	\$3.25	\$214.50
DEL-0030001	5005-008	25K LOCKING PIN C/W R PINS (2)	20	2021-09-13	2021-10-10	28	\$1.00	\$20.00
DEL-0030776	5005-008	25K LOCKING PIN C/W R PINS (2)	112	2021-09-13	2021-10-10	28	\$1.00	\$112.00
DEL-0030001	5005-010	25K COUPLING PINS	20	2021-09-13	2021-10-10	28	\$1.00	\$20.00
DEL-0030478	5005-010	25K COUPLING PINS	120	2021-09-13	2021-10-10	28	\$1.00	\$120.00
DEL-0030776	5005-010	25K COUPLING PINS	112	2021-09-13	2021-10-10	28	\$1.00	\$112.00
DEL-0030001	5050-604	SUPERSHORE-25K(6'LEG/4'INNER)	16	2021-09-13	2021-10-10	28	\$12.00	\$192.00
DEL-0030001	5050-806	SUPERSHORE-25K(8'LEG/6'INNER)	48	2021-09-13	2021-10-10	28	\$12.00	\$576.00
							Rent	\$3,999.88

Subtotal	\$3,999.88
Tax: HST (13%)	\$519.98
Tax: (none)	\$0.00
Invoice Total	\$4,519.86



Skyway Canada Limited

170 Claireville Drive
 Toronto, Ontario M9W 5Y3
 Tel.: 416.744.6000 Fax: 416.744.6001
 Toll Free: 1.866.866.3700 www.skycan.ca

MONTHLY INVOICE PAST

Customer Copy	
Invoice #	L10552
Date	10/20/21
Page	1

TVQ: 1223615615

GST: 10488 4804 RT0001

Bill To: FUSIO002	FUSIONCORP DEVELOPMENTS INC 2066 AVENUE ROAD 2ND FLOOR TORONTO, ON M5M4A6	Ship to: FUSIO02002	11 CANNON ST. (FENCE) CANNON ST. WEST & JAMES ST. HAMILTON QUOTE# 37982
-----------------------------	---	-------------------------------	--

Rental Period: From 09/29/21 Thru 10/26/21 **Periods Billed:** 13 **Orig/Last Ship Date:** 04/14/21

WH	Sisp	Terms	Ship Via	Purchase Order #	FOB Point	Contract #
10	109	Net 30 Days	SKY			00118720

Item	Description	Rate/Price	Units	UM	Extension	
700-10	FENCE 10'-1"L X 3'6"H	\$ 2.00	BAL FWD:	155	310.00	
700-19	Sky-Tech Installation Tool 9'	\$.00	BAL FWD:	4	.00	
700-57	FENCE 5'7" X 3'6"H	\$ 2.00	BAL FWD:	35	70.00	
700-9106	FENCE POST 9'	\$ 2.80	BAL FWD:	220	616.00	
GST HST Ontario					13.000%	129.48

Remit To: 170 Claireville Drive Toronto, ON M9W 5Y3	Rentals	Sales	Tax	Total	Balance
	996.00	.00	129.48	1125.48	1125.48

PER QUOTE + L30 C240EA

Jamesville Lofts July 2021										
DIRECT TRADES	Code	Description	Invoice #	Amount (before HST):		Sub Total	Hst 13%	Total	Notes	
				\$ before HB	HB 10%					
Demand Electric progress q1600000		Electrical	1503	87,497.00	\$ 8,749.70	\$ 78,747.30	\$ 10,237.15	\$ 88,984.45		
Demand Electric progress q1600000		Electrical	1504	31,860.00	\$ 3,186.00	\$ 28,674.00	\$ 3,777.62	\$ 32,451.62		
Demand Electric CO#04	1600000	Electrical	1505	920.00	\$ 92.00	\$ 828.00	\$ 107.64	\$ 935.64		
Demand Electric CO#05	1600000	Electrical	1506	920.00	\$ 92.00	\$ 828.00	\$ 107.64	\$ 935.64		
Demand Electric CO#06	1600000	Electrical	1507	1,500.00	\$ 150.00	\$ 1,350.00	\$ 175.50	\$ 1,525.50		
Demand Electric CO#07	1600000	Electrical	1508	32,831.25	\$ 3,283.13	\$ 29,548.13	\$ 3,841.26	\$ 33,389.38		
Total				\$ 155,528.25	\$ 15,552.83	\$ 139,975.43	\$ 18,196.81	\$ 158,172.23		



- COMMERCIAL
- INDUSTRIAL
- SERVICE
- MAINTENANCE
- CONTRACTING

INVOICE No. **E** 216
 INVOICE DATE 25-Oct-21
 PROGRESS BILLING # 3
 PURCHASE ORDER #

164 Trowers Road, Woodbridge, Ont. L4L 5Z3 Tel. (416) 746-2005 • Fax. (416) 746-2051

SOLD TO

Fusioncorp Developments Inc.
 2066 Avenue Road, 2nd floor
 Toronto, ON M5M 4A6
 Attn: Nick Ainis

S
H
I
P
T
O

Jamesville Lofts

DATE	SHIPPED VIA	HST LICENCE No.	YOUR ORDER No.	OUR ORDER No.	TERMS: NET 10 DAYS 1 1/2% PER MONTH INTEREST ON OVERDUE ACCOUNTS																	
BACK ORDER	QTY. ORDERED	DESCRIPTION			QTY. SHIPPED	UNIT PRICE	AMOUNT															
<p><u>Progress Billing # 3</u></p> <p>Supplied high voltage transformer.</p> <table style="width: 100%; margin-top: 20px;"> <tr> <td style="width: 60%;">Contract Amount</td> <td style="text-align: right;">681,500.00</td> </tr> <tr> <td> 20% Complete</td> <td style="text-align: right;">136,572.00</td> </tr> <tr> <td> Less: Prog Bill 1 (E1133)</td> <td style="text-align: right;">(34,075.00)</td> </tr> <tr> <td> Less: Prog Bill 2 (E1338)</td> <td style="text-align: right;">(15,000.00)</td> </tr> <tr> <td> Less:</td> <td></td> </tr> <tr> <td>Current Billing</td> <td style="text-align: right; border-top: 1px solid black;">87,497.00</td> </tr> <tr> <td>Holdback 10%</td> <td style="text-align: right;">(8,749.70)</td> </tr> <tr> <td>This invoice</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">78,747.30</td> </tr> </table>							Contract Amount	681,500.00	20% Complete	136,572.00	Less: Prog Bill 1 (E1133)	(34,075.00)	Less: Prog Bill 2 (E1338)	(15,000.00)	Less:		Current Billing	87,497.00	Holdback 10%	(8,749.70)	This invoice	78,747.30
Contract Amount	681,500.00																					
20% Complete	136,572.00																					
Less: Prog Bill 1 (E1133)	(34,075.00)																					
Less: Prog Bill 2 (E1338)	(15,000.00)																					
Less:																						
Current Billing	87,497.00																					
Holdback 10%	(8,749.70)																					
This invoice	78,747.30																					
					Subtotal	\$ 78,747.30																
					HST 13%	\$ 10,237.15																
					Total	\$ 88,984.45																

CONDITIONS:

It is agreed that the seller will retain title to any equipment or material that may be furnished until final payment is made and if settlement is not made as agreed, the seller shall have the right to remove same and the seller will be held harmless for any damages resulting from the removal thereof.

HST # 821403862RT0001



- COMMERCIAL
- INDUSTRIAL
- SERVICE
- MAINTENANCE
- CONTRACTING

INVOICE No. **E**
 INVOICE DATE
 PROGRESS BILLING #
 PURCHASE ORDER #

217
1504
 25-Oct-21
 4

164 Trowers Road, Woodbridge, Ont. L4L 5Z3 Tel. (416) 746-2005 • Fax. (416) 746-2051

SOLD TO

Fusioncorp Developments Inc.
 2066 Avenue Road, 2nd floor
 Toronto, ON M5M 4A6
 Attn: Nick Ainis

S
H
I
P
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Jamesville Lofts

DATE	SHIPPED VIA	HST LICENCE No.	YOUR ORDER No.	OUR ORDER No.	TERMS: NET 10 DAYS 1 1/2% PER MONTH INTEREST ON OVERDUE ACCOUNTS		
BACK ORDER	QTY. ORDERED	DESCRIPTION			QTY. SHIPPED	UNIT PRICE	AMOUNT
<u>Progress Billing # 4</u>							
Supplied high voltage switch.							
Contract Amount			681,500.00				
<u>25%</u> Complete			168,432.00				
Less: Prog Bill 1 (E1133)			(34,075.00)				
Less: Prog Bill 2 (E1338)			(15,000.00)				
Less: Prog Bill 3 (E1503)			(87,497.00)				
Current Billing			<u>31,860.00</u>				
Holdback 10%			<u>(3,186.00)</u>				
This invoice			28,674.00				
					Subtotal	\$ 28,674.00	
					HST 13%	\$ 3,727.62	
					Total	\$ 32,401.62	

CONDITIONS:

It is agreed that the seller will retain title to any equipment or material that may be furnished until final payment is made and if settlement is not made as agreed, the seller shall have the right to remove same and the seller will be held harmless for any damages resulting from the removal thereof.

HST # 821403862RT0001



- COMMERCIAL
- INDUSTRIAL
- SERVICE
- MAINTENANCE
- CONTRACTING

INVOICE No. **E** 1505
 INVOICE DATE 25-Oct-21
 PROGRESS BILLING # Extra 4
 PURCHASE ORDER #

164 Trowers Road, Woodbridge, Ont. L4L 5Z3 Tel. (416) 746-2005 • Fax. (416) 746-2051

SOLD TO

Fusioncorp Developments Inc.
 2066 Avenue Road, 2nd floor
 Toronto, ON M5M 4A6
 Attn: Nick Ainis

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Jamesville Lofts

DATE	SHIPPED VIA	HST LICENCE No.	YOUR ORDER No.	OUR ORDER No.	TERMS: NET 10 DAYS 1 1/2% PER MONTH INTEREST ON OVERDUE ACCOUNTS		
BACK ORDER	QTY. ORDERED	DESCRIPTION			QTY. SHIPPED	UNIT PRICE	AMOUNT
		<p><u>Extra to contract # 4</u></p> <p>Storage of high voltage transformer.</p>					920.00
					\$920X10%=92.00	Subtotal	\$ 920.00
					-920.00	HST 13%	\$ 119.60
					\$828.00X13%	Total	<u>\$ 1,039.60</u>
					\$107.64		
					\$935.64		

CONDITIONS:

It is agreed that the seller will retain title to any equipment or material that may be furnished until final payment is made and if settlement is not made as agreed, the seller shall have the right to remove same and the seller will be held harmless for any damages resulting from the removal thereof.

HST # 821403862RT0001



- COMMERCIAL
- INDUSTRIAL
- SERVICE
- MAINTENANCE
- CONTRACTING

INVOICE No. **E**
 INVOICE DATE
 PROGRESS BILLING #
 PURCHASE ORDER #

219
1506
 25-Oct-21
 Extra 5

164 Trowers Road, Woodbridge, Ont. L4L 5Z3 Tel. (416) 746-2005 • Fax. (416) 746-2051

SOLD TO

Fusioncorp Developments Inc.
 2066 Avenue Road, 2nd floor
 Toronto, ON M5M 4A6
 Attn: Nick Ainis

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Jamesville Lofts

DATE	SHIPPED VIA	HST LICENCE No.	YOUR ORDER No.	OUR ORDER No.	TERMS: NET 10 DAYS 1 1/2% PER MONTH INTEREST ON OVERDUE ACCOUNTS		
BACK ORDER	QTY. ORDERED	DESCRIPTION			QTY. SHIPPED	UNIT PRICE	AMOUNT
		Extra to contract # 5					
		Storage of high voltage switch.					920.00
				\$920.00X10%HB=\$92.00	Subtotal	\$	920.00
				-92.00	HST 13%	\$	119.60
				-----	Total	\$	<u>1,039.60</u>
				\$828.00X13%			
				\$107.64			

				\$935.64			

CONDITIONS:

It is agreed that the seller will retain title to any equipment or material that may be furnished until final payment is made and if settlement is not made as agreed, the seller shall have the right to remove same and the seller will be held harmless for any damages resulting from the removal thereof.

HST # 821403862RT0001



- COMMERCIAL
- INDUSTRIAL
- SERVICE
- MAINTENANCE
- CONTRACTING

INVOICE No. **E** 1507
 INVOICE DATE 25-Oct-21
 PROGRESS BILLING # Extra 6
 PURCHASE ORDER #

220

164 Trowers Road, Woodbridge, Ont. L4L 5Z3 Tel. (416) 746-2005 • Fax. (416) 746-2051

SOLD TO

Fusioncorp Developments Inc.
 2066 Avenue Road, 2nd floor
 Toronto, ON M5M 4A6
 Attn: Nick Ainis

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Jamesville Lofts

DATE	SHIPPED VIA	HST LICENCE No.	YOUR ORDER No.	OUR ORDER No.	TERMS: NET 10 DAYS 1 1/2% PER MONTH INTEREST ON OVERDUE ACCOUNTS		
BACK ORDER	QTY. ORDERED	DESCRIPTION			QTY. SHIPPED	UNIT PRICE	AMOUNT
		<p><u>Extra to contract # 6</u></p> <p>ESA permit renewal of site trailer and temporary service.</p>					1,500.00
			1500X10%HB				
			-\$150.00				

			\$1350.00X13%				
			\$175.50				

			\$1525.50				

					Subtotal		\$ 1,500.00
					HST 13%		\$ 195.00
					Total		<u>\$ 1,695.00</u>

CONDITIONS:

It is agreed that the seller will retain title to any equipment or material that may be furnished until final payment is made and if settlement is not made as agreed, the seller shall have the right to remove same and the seller will be held harmless for any damages resulting from the removal thereof.

HST # 821403862RT0001



- COMMERCIAL
- INDUSTRIAL
- SERVICE
- MAINTENANCE
- CONTRACTING

INVOICE No. **E** 221
 INVOICE DATE **1508**
25-Oct-21
 PROGRESS BILLING # Extra 7
 PURCHASE ORDER #

164 Trowers Road, Woodbridge, Ont. L4L 5Z3 Tel. (416) 746-2005 • Fax. (416) 746-2051

SOLD TO

Fusioncorp Developments Inc.
 2066 Avenue Road, 2nd floor
 Toronto, ON M5M 4A6
 Attn: Nick Ainis

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Jamesville Lofts

DATE	SHIPPED VIA	HST LICENCE No.	YOUR ORDER No.	OUR ORDER No.	TERMS: NET 10 DAYS 1 1/2% PER MONTH INTEREST ON OVERDUE ACCOUNTS		
BACK ORDER	QTY. ORDERED	DESCRIPTION			QTY. SHIPPED	UNIT PRICE	AMOUNT
<p><u>Extra to contract # 7</u></p> <p>CCO # 4 - Change order # 25</p> <p>Changes made to the high voltage switch and transformer. (as per change order # 25 dated Oct 29/21)</p>							
					\$32,831.25X10%HB		
					\$-3283.12		

					\$29,548.12X13%		
					\$3841.25		

					\$33,389.37		

					Subtotal		\$ 32,831.25
					HST 13%		\$ 4,268.06
					Total		<u>\$ 37,099.31</u>

CONDITIONS:

It is agreed that the seller will retain title to any equipment or material that may be furnished until final payment is made and if settlement is not made as agreed, the seller shall have the right to remove same and the seller will be held harmless for any damages resulting from the removal thereof.

HST # 821403862RT0001



Brendan D. Bowles
Partner

Brendan Bowles Professional Corporation
Certified Specialist in Construction Law

T: 416.368.8280
F: 416.368.3467
brendanbowles@glaholt.com

Glaholt Bowles LLP
800-141 Adelaide St. W.,
Toronto, ON M5H 3L5
glaholt.com

August 26, 2022

VIA EMAIL: samr@chaitons.com and stephen@chaitons.com

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Attention: Messrs. Rappos and Schwartz
Lawyers for MarshallZehr Group Inc.

Dear Messrs. Rappos and Schwartz:

**Re: MarshallZehr Group Inc. ("MarshallZehr") and Areacor Inc. ("Areacor")
Jamesville Lofts Project, 11-15 Cannon Street West, Hamilton ("Project")
Court File Nos. CV-22-00674747-00CL and CV-21-00077787-0000
Our File No.: 73/20**

We write with respect to MarshallZehr's motion scheduled for October 31, 2022, to discharge Fusioncorp's lien on the basis that it is allegedly expired. We have discussed arguing the motion based upon an agreed statement of fact and we can address if this is the best way to proceed at a later date. However, there are certain factual issues which may be in dispute but that we can resolve. We therefore write to you with our client's position respecting the quantum of the holdback, and with inquiries relevant to the timeliness of Fusioncorp Developments Inc.'s ("**Fusioncorp**") construction lien registered on title to the Project lands on December 10, 2021.

Quantum of Holdback

During our call of August 2, 2022, you advised that the Receiver's position on the appropriate quantum of the holdback was \$297,595.95, being the amount of holdback set out in Payment Application No. 29, certified by Rick Lintack of Lintack Architects Incorporated ("**Lintack**") on or about May 31, 2021. This figure is incorrect and outdated. Six Payment Applications, being Payment Application Nos. 30 through 35, were issued following Payment Application No. 29. I am attaching copies of these Payment Applications in support of the correct holdback amount.

The correct amount of basic holdback which the owner failed to retain, and which is due and owed to Fusioncorp and its sub-trades equals \$347,404.67 (HST Included). Please note that

- 2 -

Fusioncorp's position for the purposes of any agreed statement of fact will be that the correct holdback amount is \$347,404.67 inclusive of HST.

Timeliness

In order to correctly establish which version of the *Construction Act* applies pursuant to section 87.3(1)(a) and (b), we must determine if "a contract for the improvement was entered before July 1, 2018", or if "a procurement process for the improvement was commenced before July 1, 2018 by the owner of the premises".

While we know that the CCDC 5 contract between Fusioncorp and Areacor ("**Contract**") was entered in 2019, the Contract, and specifically SCHEDULE A – LIST OF PLANS, SPECIFICATIONS, REPORTS, ADDENDA, includes reference to the following Project documents that pre-date July 1, 2018:

1. November 5, 2017: Drawings – Interior Design/ Niche by Design/ Jamesville Loft – Specifications;
2. February 20, 2018: Drawings – Siltation/ Sidney W. Woods Engineering Inc./ Siltation Control Plan; and
3. February 12, 2018: Drawings – Landscaping/ Adesso Design Inc./ Landscape Plan;

Given its position in the receivership, the Receiver ought to have access and control over all of Areacor's Project documents including those listed above. In this regard can you please request the following information from the Receiver:

1. Confirm the date of the contract entered between Areacor and Lintack;
2. Confirm whether Niche by Design, Sidney W. Woods Engineering Inc., or Adesso Design Inc. contracted directly with Areacor or Lintak and, if so, the date of those contracts; and
3. To the extent records exist that evidence that procurement of a contract for the improvement took place prior to July 1, 2018, to provide information regarding same.

We understand that Mr. Phoenix is counsel for the Receiver, we have also copied him on this request.

LawPro Counsel

As we advised in our email of August 12, 2022, given that I was counsel for Fusioncorp who negotiated the Minutes of Settlement at issue on this motion and given the motion necessarily raises an allegation that I registered Fusioncorp's lien out of time, I have reported this matter to LawPro.

- 3 -

LawPro has retained Mr. John Margie of Margie Strub Construction Law LLP as counsel. While we will remain lawyers of record for Fusioncorp, Mr. Margie will be delivering responding motion materials and arguing the motion on October 31, 2022 as our agent. Please ensure that Mr. Margie is copied on all correspondence relevant to the discharge motion going forward.

Thank you for your anticipated cooperation, and we look forward to hearing from you with respect to the above at your earliest convenience. If you have any further questions, please do not hesitate to contact me.

Yours very truly,

GLAHOLT BOWLES LLP



Brendan D. Bowles

BDB/jpv

Enclosures: Payment Application Nos. 30 through 35

CC: Graham Phoenix (gphoenix@loonix.com) (counsel for the Receiver)

CC: John Margie (jmargie@margiestrub.com) (counsel for LawPro)

TAB P

R. Graham Phoenix*
Tel: 416.748.4776
Email: gphoenix@loonix.com

DELIVERED VIA EMAIL

File Code: 26821-0001

September 7, 2022

TO THE PARTIES LISTED ON SCHEDULE "A"

Dear Sirs:

RE: Areacor Inc. ("Areacor") and 15 Cannon Street West, Hamilton (the "Property")

Motion returnable October 3, 2022

We are independent counsel to RSM Canada Limited, Court-appointed receiver of the property, assets, and undertakings of Areacor (the "**Receiver**").

We write to you, respectively, as counsel to Fusioncorp Developments Inc. ("**Fusioncorp**"), Demand Electric Inc. ("**Demand Electric**"), Earl O'Neil Electric Supply Limited ("**Earl O'Neil**") and Northstar Scaffold (Ontario) Inc. ("**Northstar**"), each of which has registered a construction lien against title to the Property (collectively, the "**Construction Liens**").

The Receiver understands that Fusioncorp was Areacor's general contractor with respect to the Property, Demand Electric and Northstar were subcontractors of Fusioncorp, and Earl O'Neil was a subcontractor of Demand Electric.

The Receiver has negotiated a sale of the Property and will be bringing a motion for Court approval of a proposed sale transaction. The motion is scheduled for October 3, 2022.

As will be set out in the Receiver's pending report to the Court, the purchase price for the Property is less than the total amount owed by Areacor to its lender, MarshallZehr Group Inc. ("**MarshallZehr**"), and that on closing, the purchaser will be assuming a portion of Areacor's indebtedness to MarshallZehr that was secured by a mortgage registered on title to the Property (the "**MarshallZehr Mortgage**").

In connection with the sale approval motion, the Receiver will be requesting that the Court order that, on closing, the Property vest in the purchaser free and clear of all claims and encumbrances, including the Construction Liens. To satisfy the purchase price, the purchaser will have to pay to the Receiver, in trust, all amounts that may have priority over the MarshallZehr Mortgage – which will include any priority amount under any validly perfected Constructions Liens.

Based on the information available to it, the Receiver understands that MarshallZehr's loan to Areacor and the MarshallZehr Mortgage is a building mortgage under section 78(2) of the *Construction Act*. As a result, pursuant to that section, the Construction Liens, to the extent that

they are valid, have priority over the MarshallZehr Mortgage to the limited extent of any deficiency in the holdback required to be retained by Areacor under Part IV of the *Construction Act*.

Pursuant to section 22 of Part IV of the *Construction Act*, Areacor was required to retain a holdback equal to 10% of the price of the service or materials as they were actually supplied to it under the contract entered into between Areacor and Fusioncorp. – being the only direct contractual relationship between Areacor and any of the lien registrants.

The Receiver has reviewed an application for payment up to October 31, 2021 that indicates that the amount of the Fusioncorp holdback at that time was \$347,404.36. The Receiver understands that Fusioncorp is of the view that this is the maximum amount of the holdback.

Accordingly, based on the information available to the Receiver, it is the Receiver's view that the amount must be paid by the purchaser on closing in satisfaction of the maximum amount that the Construction Liens, if they are valid, may have priority over the MarshallZehr Mortgage is \$347,404.36.

As part of its motion for approval of the sale transaction, **the Receiver will seek an order of the Court directing the sum of \$347,404.36 to be held by the Receiver pending a resolution of any claim under the Construction Liens or further order of the Court.** This will facilitate the closing of the subject sale transaction, without prejudicing your clients' ability to seek any priority amounts payable under the Constructions Liens, or MarshallZehr's ability to challenge the quantum of the holdback amounts and/or the timeliness of the registration of the Construction Liens.

The Receiver intends to serve its motion materials shortly.

To the extent that any of your clients disagree with the information and position set out above, please contact the undersigned as soon as possible. We note that the Receiver will require evidence in support of any argument you may have that the potential priority amount that must be paid in trust on closing in connection with the Construction Liens should be greater than the \$347,404.36 holdback amount set out above.

Yours truly,

LOOPSTRA NIXON LLP

Per:



R. Graham Phoenix
Partner

*Practicing as RGP Professional Corporation

RGP/aa

cc: Bryan Tanenbaum (bryan.tannebaum@rsmcanada.com) & Jeff Berger (jeff.berger@rsmcanada.com), RSM Canada Limited as Court-appointed Receiver
Sam Rappos (samr@chaitons.com), Chaitons LLP, counsel to MarshallZehr Group Inc.

SCHEDULE “A”

<p>GLAHOLT BOWLES LLP 800-141 Adelaide Street West Toronto, ON M5H 3L5</p> <p>Brendan Bowles Tel: (416) 368-8280 ext. 221 Email: brendanbowles@glaholt.com</p> <p>John Paul Ventrella Tel: (416) 368-8280 ext. 250 Email: johnpaulventrella@glaholt.com</p> <p>Lawyers for Fusioncorp Developments Inc.</p>	<p>SUTHERLAND LAW 3300 Highway No. 7, Suite 904 Vaughan, ON L4K 4M3</p> <p>Rob Moubarak Tel: (905) 695-5500 ext. 2800 Email: rmoubarak@sutherlandlaw.com</p> <p>Jonathan Frustaglio Tel: (905) 695-5500 ext. 2760 Email: jfrustaglio@sutherlandlaw.com</p> <p>Lawyers for Demand Electric Inc.</p>
<p>KENNALEY CONSTRUCTION LAW Suite 305 – 31 Mechanic Street Paris, ON N3L 1K1</p> <p>Rob Kennaley Tel: (519) 805-8186 E-mail: rjk@kennaley.ca</p> <p>Lawyers for Northstar Scaffold (Ontario) Inc.</p>	<p>MCBRIDE WALLACE LAURENT & CORD LLP 5464 Dundas Street West, Suite 200 Toronto, ON M9B 1B4</p> <p>Walter Kravchuk Tel: (416) 231-6555 ext. 233 Email: wkravchuk@mwlcclaw.ca</p> <p>Lawyers for Earl O’Neil Electric Supply Limited</p>

TAB Q

STATEMENT OF ACCOUNT

City of Hamilton

This statement is not a certified statement of arrears or current taxes under Section 352 of the Municipal Act, 2001.

Property Address: 11	CANNON ST W
Mortgage Company:	Name:
Instrument No:	

Property Owners: AREACOR INC

AREACOR INC
270-2869 BLOOR ST W
ETOBICOKE ON M8X 1B3

Legal Description: PLAN 39 BLK 6 PT LOT 13
REG
0.08AC 30.58FR 117.00D

Assessments

<u>Class</u>	<u>Description</u>	<u>Amount</u>
RTEP	Res. Eng. Public	435,000

Special Area Charges

<u>Sp.ID</u>	<u>Description</u>
AFB	Fire Levy-Urban
ARB	Area Levy-Urban
POL	Police Levy
SOC	Prov Shared Programs
TRB	Transit Levy

Account Balance Information

Transaction Summary:

<u>Year</u>	<u>Tax Levied</u>	<u>Penalty/Interest</u>	<u>Adjustments</u>	<u>Payments</u>	<u>Balance</u>
2022	5,416.84	11,244.95	126,250.65	0.00	142,912.44
2021	5,257.26	0.00	-209.50	5,047.76	0.00
2020	5,280.50	0.00	-2,013.62	3,266.88	0.00
2019	4,985.66	88.72	4,209.40	9,283.78	0.00
					142,912.44

Account Balance:

<u>Year</u>	<u>Tax Outstanding</u>	<u>Penalty/Interest Outstanding</u>	<u>Other Outstanding</u>	<u>Balance</u>
2022	131,654.69	11,244.95	12.80	142,912.44
2021	0.00	0.00	0.00	0.00
2020	0.00	0.00	0.00	0.00
2019	0.00	0.00	0.00	0.00
				142,912.44

STATEMENT OF ACCOUNT

City of Hamilton

This statement is not a certified statement of arrears or current taxes under Section 352 of the Municipal Act, 2001.

Property Address: 15	CANNON ST W
Mortgage Company:	Name:
Instrument No:	

Property Owners: AREACOR INC

AREACOR INC
4 ROYALEIGH AVE
ETOBICOKE ON M9P 2J5

Legal Description: PLAN 39 BLK 6 PT LOT 13
REG
0.08AC 30.58FR 110.00D

Assessments

<u>Class</u>	<u>Description</u>	<u>Amount</u>
RTEP	Res. Eng. Public	435,000

Special Area Charges

<u>Sp.ID</u>	<u>Description</u>
AFB	Fire Levy-Urban
ARB	Area Levy-Urban
POL	Police Levy
SOC	Prov Shared Programs
TRB	Transit Levy

Account Balance Information

Transaction Summary:

<u>Year</u>	<u>Tax Levied</u>	<u>Penalty/Interest</u>	<u>Adjustments</u>	<u>Payments</u>	<u>Balance</u>
2022	5,416.84	11,246.54	126,419.42	0.00	143,082.80
2021	5,257.26	11.43	-609.69	4,501.77	157.23
2020	4,267.12	0.00	-4,267.12	0.00	0.00
2019	4,010.78	226.24	8,121.52	12,358.54	0.00
					143,240.03

Account Balance:

<u>Year</u>	<u>Tax Outstanding</u>	<u>Penalty/Interest Outstanding</u>	<u>Other Outstanding</u>	<u>Balance</u>
2022	131,781.96	11,246.54	54.30	143,082.80
2021	101.95	11.43	43.85	157.23
2020	0.00	0.00	0.00	0.00
2019	0.00	0.00	0.00	0.00
				143,240.03

TAB R

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT dated the 26 day of August, 2022.

BETWEEN:

RSM CANADA LIMITED, solely in its capacity as Court-appointed receiver of the property, assets, and undertakings of Areacor Inc., and not in its personal or corporate capacity
(the “**Vendor**”)

- and -

MARBELLE ESTATES INC.
(the “**Purchaser**”)

RECITALS:

- A. Pursuant to the Receivership Order, RSM Canada Limited was appointed as receiver of the Property (as defined in the Receivership Order) and was authorized to, among other things, market and sell the Property; and
- B. Subject to the Court issuing the Approval and Vesting Order, the Purchaser has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Purchaser, the right, title, and interest of the Debtor in and to the Purchased Assets on the terms and conditions set out herein.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties agree as follows:

1. **DEFINITIONS.**

In this Agreement, including the Recitals, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- (a) “**Agreement**” means this agreement of purchase and sale, including the attached Schedules to this Agreement, as it or they may be amended or supplemented from time to time;
- (b) “**Applicable Laws**” means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Government Authority;
- (c) “**Application**” has the meaning ascribed to it in Subsection 13(b)(i);
- (d) “**Approval and Vesting Order**” means an order made by the Court approving the Transaction, authorizing the Vendor to terminate the Existing Agreements of Purchase and Sale, and vesting in the Purchaser all the right, title and interest of the Debtor in the Purchased Assets free and clear of all Encumbrances (except for Permitted Encumbrances), in form and substance satisfactory to the Vendor and the Purchaser, acting reasonably;

- (e) **“Assigned Contracts”** has the meaning ascribed to it in Section 10;
- (f) **“Assumed Liabilities”** has the meaning ascribed to it in Section 9;
- (g) **“Assumed Secured Debt”** has the meaning ascribed to it in Section 5(d);
- (h) **“Business Day”** means a day on which banks are open for business in the City of Toronto, but does not include a Saturday, Sunday, or statutory holiday recognized in the Province of Ontario;
- (i) **“Cash Collateral”** means all cash security deposited by or on behalf of the Debtor with the City of Hamilton and/or Taron or with a financial institution, as required by the City of Hamilton and/or Taron in connection with the development and construction of the Project;
- (j) **“Closing”** has the meaning ascribed to it in Section 12;
- (k) **“Closing Date”** has the meaning ascribed to it in Section 12;
- (l) **“Construction Lien Discharge Amount”** has the meaning ascribed to it in Section 7;
- (m) **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- (n) **“Debtor”** means Areacor Inc.;
- (o) **“DRA”** has the meaning ascribed to it in Subsection 13(a);
- (p) **“Encumbrances”** means any and all security interests, mortgages, charges, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, leases, title retention agreements, reservations of ownership, demands, executions, levies, charges, Work Orders, rights of way, options or other rights to acquire any interest in any assets, or other financial or monetary claims, whether or not same have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, and all contracts to create any of the foregoing, or encumbrances of any kind or character whatsoever, other than Permitted Encumbrances;
- (q) **“Environmental Laws”** means any and all applicable federal, provincial, municipal or local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, health protection or any Hazardous Materials;
- (r) **“Estimated Fees”** means the amount of \$● estimated by the Vendor to be the aggregate fees, disbursements and expenses for the period from and after the Closing to the Vendor's discharge as Receiver under the Receivership Order;
- (s) **“ETA”** means the *Excise Tax Act* (Canada);
- (t) **“Excluded Assets”** has the meaning ascribed to it in Section 6;
- (u) **“Existing Agreements of Purchase and Sale”** means the twenty-nine (29) existing agreements of purchase and sale entered into by the Debtor with respect to the purchase and sale of condominium units within the Proposed Condominium and listed on **Schedule “E”** attached hereto;
- (v) **“Final Order”** means, in respect of any order of the Court or any other court: (i) the operation and effect of such order shall not have been stayed, amended, modified,

reversed, dismissed or appealed within the applicable appeal period; or (ii) any motion or other proceeding to stay, amend, modify, reverse, or appeal such order shall have been withdrawn or dismissed within no further appeal therefrom and the applicable appeal period shall have expired;

- (w) **“Government Authority”** means any Person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal governments having or claiming to have jurisdiction over part or all of the Purchased Assets, the Transaction and/or one or both of the Parties;
- (x) **“HST”** has the meaning ascribed to it in Section 28(a);
- (y) **“Hazardous Materials”** means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Government Authority and any **“Contaminants”**, **“Dangerous Substances”**, **“Hazardous Materials”**, **“Hazardous Substances”**, **“Hazardous Wastes”**, **“Industrial Wastes”**, **“Liquid Wastes”**, **“Pollutants”** and **“Toxic Substances”**, all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health and/or safety matters and, not to limit the generality of the foregoing, includes asbestos, urea formaldehyde foam insulation and mono or poly-chlorinated biphenyl wastes;
- (z) **“Indemnitees”** has the meaning ascribed to it in Subsection 19(a);
- (aa) **“Lands”** means the lands and premises legally described in **Schedule “A”** attached hereto and all appurtenant interests thereto and any the structure situated thereon, including all improvements thereto and all fixtures forming a part thereof;
- (bb) **“Liabilities”** means any and all claims, actions, causes of action, suits, proceedings, applications, complaints, costs, expenses, charges, debts, liabilities, losses, damages, orders, judgments, demands, fines, penalties and obligations or any nature or kind whatsoever, whether primary or secondary, direct or indirect, fixed, contingent, absolute or otherwise;
- (cc) **“MZG”** means MarshallZehr Group Inc.;
- (dd) **“MZG Mortgage”** means the charge/mortgage of land as further described in **Schedule “D”** attached hereto;
- (ee) **“Party”** means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **“Parties”** means collectively the Vendor and the Purchaser;
- (ff) **“Permits”** means all authorizations, registrations, permits, certificates of approval, approvals, consents, commitments, rights or privileges issued, granted or required by any Government Authority in respect of the Lands or the Project;
- (gg) **“Permitted Encumbrances”** means those Encumbrances listed in **Schedule “B”** attached hereto and without duplication those encumbrances, easements and restrictive covenants listed or to be listed on Schedule “C” to the Approval and Vesting Order;

- (hh) **"Person"** means an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;
- (ii) **"Prepaid Expenses and Deposits"** means all prepayments, prepaid charges, deposits, security deposits, sums and fees in any way related to the Purchased Assets, but excluding the Cash Collateral;
- (jj) **"Priority Payables"** means any and all amounts which rank in priority to the MZG Mortgage at Closing, including, without limitation, any construction liens to the extent of their priority over the MZG Mortgage, but excluding amounts secured by the Receiver's Borrowings Charge and the Receiver's Charge;
- (kk) **"Project"** means the Proposed Condominium to have been developed and constructed by the Debtor on the Lands;
- (ll) **"Project Documents"** means all plans, designations, drawings, designs, agreements, and specifications in connection with the Project that are in the possession or control of the Vendor (it being acknowledged that the Vendor is under no obligation to incur additional expense to obtain such plans, designs and specifications), excluding the Existing Agreements of Purchase and Sale;
- (mm) **"Proposed Condominium"** means the condominium project proposed by the Debtor consisting of forty (40) residential condominium units together with ancillary units and a ground floor commercial space to be constructed on the Lands;
- (nn) **"Purchase Price"** has the meaning ascribed thereto in Section 4;
- (oo) **"Purchased Assets"** means all of the Debtor's right, title and interest in the following assets:
 - (i) the Assigned Contracts;
 - (ii) the Lands;
 - (iii) the Permits;
 - (iv) the Prepaid Expenses and Deposits;
 - (v) the Project Documents;
 - (vi) all Rights under or pursuant to all warranties, representations and guarantees, express, implied, or otherwise of or made by suppliers of goods or services to the Debtor in connection with the Purchased Assets; andand in each case, other than the Excluded Assets;
- (pp) **"Purchaser"** has the meaning ascribed to it on page 1 above;
- (qq) **"Purchaser's Solicitors"** means the firm of Devry Smith Frank LLP, 95 Barber Greene Road, Suite 100, Toronto, Ontario (Attention: Louis Gasbarre, E-Mail: louis.gasbarre@devrylaw.ca);

- (rr) **“Receiver”** means RSM Canada Limited, solely in its capacity as receiver of the property, assets and undertakings of the Debtor appointed pursuant to the Receivership Order and not in its personal or corporate capacity;
- (ss) **“Receiver’s Borrowings”** means the amounts borrowed by the Receiver from MarshallZehr Group Inc. pursuant to paragraph 21 of the Receivership Order;
- (tt) **“Receiver’s Borrowings Charge”** has the meaning set out in the Receivership Order;
- (uu) **“Receiver’s Certificate”** means the certificate attached as a schedule to the Approval and Vesting Order confirming *inter alia* that the Receiver has received the Purchase Price and all conditions to Closing, if any, have been satisfied or waived by the Parties;
- (vv) **“Receiver’s Charge”** has the meaning set out in the Receivership Order;
- (ww) **“Receivership Order”** means the order of the Court dated January 13, 2022, appointing RSM Canada Limited as Receiver;
- (xx) **“Rights”** has the meaning ascribed to it in Section 11;
- (yy) **“Secured Debt”** means any and all amounts secured by the MZG Mortgage, including any and all principal, interest, fees and other amounts thereon;
- (zz) **“Statement of Adjustments”** has the meaning ascribed to it in Subsection 24(c);
- (aaa) **“TERS”** has the meaning ascribed to it in Subsection 13(d)(iii);
- (bbb) **“Transaction”** means the transaction contemplated by this Agreement;
- (ccc) **“Vendor”** has the meaning ascribed to it on page 1 above;
- (ddd) **“Vendor’s Solicitors”** means the firm of Chaitons LLP, 5000 Yonge Street, 10th Floor, Toronto, Ontario (Attention: Harvey Chaiton, E-mail: harvey@chaitons.com); and
- (eee) **“Work Orders”** means, collectively, all work orders issued by a Government Authority, notices of violation issued by a Government Authority, and other matters of non-compliance with zoning and other requirements of a Government Authority relating to the Lands or the Project.

2. SCHEDULES.

The following schedules are appended to this Agreement:

- Schedule “A” The Lands
- Schedule “B” The Permitted Encumbrances
- Schedule “C” Assigned Contracts
- Schedule “D” MZG Mortgage
- Schedule “E” Existing Agreements of Purchase and Sale

3. AGREEMENT TO PURCHASE AND SELL.

On the Closing Date, the Vendor shall sell the Purchased Assets and assign the Assumed Liabilities and the Purchaser shall purchase the Purchased Assets and assume the Assumed Liabilities, upon and subject to the terms of this Agreement.

4. PURCHASE PRICE.

The purchase price payable by the Purchaser to the Vendor for the Purchased Assets shall be the sum of [REDACTED] Dollars (the "**Purchase Price**").

5. SATISFACTION OF PURCHASE PRICE.

The Purchaser shall satisfy the Purchase Price at the Closing Date as follows:

- (a) by assumption of the amount of the Receiver's Borrowings on Closing;
- (b) by payment to the Vendor, in trust, of the Estimated Fees and all amounts secured by the Receiver's Charge on Closing, by way of a certified cheque, wire transfer or bank draft;
- (c) by payment to the Vendor, in trust, of the amount of Priority Payables, without duplication, by way of a certified cheque, wire transfer or bank draft;
- (d) by assumption of an amount of the Secured Debt equal to the Purchase Price less the sum of the amounts set out in (a), (b) and (c) above (the "**Assumed Secured Debt**"); and
- (e) by the assumption of the Assumed Liabilities.

The Vendor and the Purchaser acknowledge and agree that they shall each make their own allocations of the Purchase Price between the Purchased Assets for the purposes of the *Income Tax Act* (Canada) and any filings in accordance with the provisions thereof.

6. EXCLUDED ASSETS.

The Purchaser may, at its option and upon written notice to the Vendor not less than two (2) Business Days prior to the Closing Date, exclude any of the Purchased Assets from the Transaction (the "**Excluded Assets**"), whereupon such assets shall be deemed to form part of the Excluded Assets. In the event that the Purchaser exercises such option, there shall be no reduction and/or abatement to the Purchase Price as a result of such exclusion(s). Notwithstanding the foregoing in this Section 6 and for greater certainty, the Excluded Assets shall include the Cash Collateral, the Existing Agreements of Purchase and Sale, and any refunds and/or reassessments of all realty taxes attributable to the period prior to the Closing Date.

7. APPROVAL AND VESTING ORDER.

Within ten (10) Business Days following the execution of this Agreement by the Parties, the Vendor will seek an appointment with the Court for a motion to be heard within thirty (30) days, or otherwise as soon as reasonably possible, to seek the Approval and Vesting Order. The Purchaser shall, at its sole cost and expense, promptly provide to the Vendor all such information and assistance as the Vendor may reasonably require to obtain the Approval and Vesting Order.

On Closing, MZG shall pay to the Vendor, in trust, such amount as determined by the Court is required to vacate the construction liens registered against title to the Lands by Demand Electric Inc., Earl O'Neil Electric Supply Limited, and Northstar Scaffold (Ontario) Inc. (collectively, the "**Construction Lien Discharge Amount**"). To the extent that the Court subsequently determines that any portion of the Construction Lien Discharge Amount has priority over the MZG Mortgage, such amount(s) shall be distributed by the Vendor in accordance with Court order, and the remaining balance of the Construction Lien Discharge Amount shall be returned by the Vendor to MZG.

8. CLOSING ADJUSTMENTS.

Adjustments shall be made, as of 12:01 a.m. on the Closing Date, for all realty taxes, local improvement rates, municipal/provincial levies and charges, water and assessment rates, security deposits and interest thereon (if any), utilities, and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a receivership sale. The day of Closing shall be for the account of the Purchaser.

Other than as provided for in this Section 8, there shall be no adjustments to the Purchase Price.

9. ASSUMED LIABILITIES.

On Closing, the Purchaser shall assume and be liable for payment and performance of the following Liabilities from and after Closing (collectively, the "**Assumed Liabilities**"):

- (a) the Permitted Encumbrances;
- (b) the Assumed Secured Debt; and
- (c) all Liabilities under the Assigned Contracts.

The Purchaser is not assuming, and shall not be deemed to have assumed, any Liabilities of the Debtor other than the Assumed Liabilities, including without limitation any Liabilities arising or accruing from the ownership or use of the Purchased Assets prior to the Closing.

10. ASSUMED CONTRACTS.

On Closing, the Vendor shall assign to the Purchaser the agreements listed on **Schedule "C"** attached hereto (the "**Assigned Contracts**").

11. ASSIGNMENT OF PURCHASED ASSETS.

To the extent that any of the Purchased Assets to be transferred to the Purchaser on the Closing, or any claim, right or benefit arising under or resulting from such Purchased Assets (collectively, the "**Rights**") is not capable of being transferred without the approval, consent or waiver of any third Person, this Agreement shall not constitute an agreement to transfer such Rights unless and until such approval, consent, waiver or order of the Court has been obtained. For greater certainty, unless expressly provided for herein (a) no such approval, consent, waiver or order shall be a condition to Closing, and (b) there shall be no reduction and/or abatement to the Purchaser Price in respect to the absence of any such approval, consent, waiver or order on Closing.

12. CLOSING DATE.

The Transaction shall be completed eleven (11) days following the date on which the Approval and Vesting Order is granted, or such other date as the Parties may agree in writing (the "**Closing Date**" or "**Closing**").

If, prior to the Closing, the Approval and Vesting Order (or any orders dismissing appeals thereof) shall have been appealed or a proceeding shall have been commenced to restrain or prevent the completion of the Transaction, then notwithstanding the foregoing and/or anything contained herein to the contrary, the Vendor shall have the option, exercisable by it, as it may determine in its sole and unfettered discretion, to extend the Closing Date by written notice thereof to the Purchaser to the date that is no later than three (3) Business Days immediately following the date that the Approval and Vesting Order becomes a Final Order.

13. **ELECTRONIC REGISTRATION.**

- (a) The Purchaser authorizes the Purchaser's Solicitor to enter into a document registration agreement with the Vendor's Solicitors in the form as agreed by the Parties (the "**DRA**"), establishing the procedures and timing for completing this Transaction.
- (b) The delivery and exchange of the closing documents:
 - (i) shall not occur contemporaneously with the registration of the application for vesting order (the "**Application**") and other registerable documentation; and
 - (ii) shall be governed by the DRA, pursuant to which the Vendor's Solicitors and Purchaser's Solicitors shall hold all closing documents in escrow, and will not be entitled to release them except in strict accordance with the provisions of the DRA.
- (c) The Purchaser expressly acknowledges and agrees that the Vendor will not release the Receiver's Certificate confirming the effectiveness of the Approval and Vesting Order until the balance due on Closing is remitted to the Vendor or as it may direct.
- (d) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the Parties that an effective tender shall be deemed to have been made by the Vendor upon the Purchaser when the Vendor's Solicitors have:
 - (i) delivered all documents required to be delivered by the Vendor to the Purchaser pursuant to Section 21;
 - (ii) advised the Purchaser's Solicitors in writing that the Vendor is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement; and
 - (iii) completed all steps required by the electronic registration system ("**TERS**") to complete the Transaction that can be performed or undertaken by the Vendor's Solicitors without the cooperation or participation of the Purchaser's Solicitors, and specifically when the "**completeness signatory**" for the Application has been electronically "**signed**" by the Vendor's Solicitors,without the necessity of personally attending upon the Purchaser or the Purchaser's Solicitors with the closing documents, and without any requirement to have an independent witness evidencing the foregoing.
- (e) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the Parties that an effective tender shall be deemed to have been made by the Purchaser upon the Vendor, when the Purchaser's Solicitors have:
 - (i) delivered the balance due at Closing and all the documents required to be delivered by the Purchaser to the Vendor pursuant to Section 25;
 - (ii) advised the Vendor's Solicitors in writing that the Purchaser is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement; and
 - (iii) completed all steps required by TERS to complete this Transaction that can be performed or undertaken by the Purchaser's Solicitors without the cooperation or participation of the Vendor's Solicitors, and specifically when the "**completeness**

signatory” for the Application has been electronically **signed** by the Purchaser’s Solicitors,

without the necessity of personally attending upon the Vendor or the Vendor’s Solicitors with the closing documents, and without any requirement to have an independent witness evidencing the foregoing.

- (f) If through no fault of the Purchaser’s Solicitors or the Vendor’s Solicitors TERS is unavailable on the Closing Date, such that the Purchaser’s Solicitors are unable to register the Application for Vesting Order, then the Transaction shall be completed in escrow in accordance with the terms of the DRA which shall apply until such time as TERS becomes available. Upon TERS becoming available, the Vendor’s Solicitors shall advise the Purchaser’s Solicitors forthwith and the Parties shall arrange to complete the registration of the Approval and Vesting Order as expeditiously as possible, whereupon the escrow shall be released.

In the event of any conflict or inconsistency between the terms of this Section 13 and the terms of the DRA, the terms of this Section 13 shall prevail.

14. **PRE-CLOSING RISK.**

The Purchased Assets are and shall remain at the Vendor’s risk until Closing and the Vendor shall hold all insurance policies and the proceeds thereunder, in trust, for the Parties as their respective interests may appear pending Closing.

15. **PURCHASER’S REPRESENTATIONS AND WARRANTIES.**

The Purchaser represents and warrants to the Vendor that, as at the date hereof:

- (a) it is a corporation duly incorporated, organized and validly subsisting under the laws of the Province of Ontario and has all requisite corporate power, authority and capacity to execute and deliver and to perform each of its obligations pursuant to this Agreement;
- (b) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (c) it is or will on Closing be a registrant under Part IX of the ETA;
- (d) it is or will on Closing be a builder and/or vendor licensed under the Home Construction Regulatory Authority;
- (e) it has made adequate arrangements to have sufficient funds available to satisfy its obligation to pay the Purchase Price to the Vendor on Closing;
- (f) it is not a non-resident within the meaning of the *Income Tax Act* (Canada); and
- (g) the representations and warranties of the Purchaser contained in this Section 15 or any other agreement, certificate or instrument delivered pursuant to this Agreement shall survive Closing.

The Purchaser shall promptly deliver to the Vendor written notice specifying the occurrence or likely occurrence of any event which may result in any of the Purchaser’s representations and warranties contained in this Agreement not continuing to be true as at Closing.

16. **VENDOR'S REPRESENTATIONS AND WARRANTIES.**

The Vendor represents and warrants to the Purchaser that, as at the date hereof:

- (a) subject to the granting of the Approval and Vesting Order, this Agreement constitutes a valid and binding obligation of the Vendor, enforceable against the Vendor, in accordance with its terms;
- (b) it is a registrant under Part IX of the ETA;
- (c) it is not a non-resident within the meaning of the *Income Tax Act* (Canada); and
- (d) the Receivership Order is in full force and effect.

17. **"AS IS, WHERE IS".**

The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an "as is, where is" and "without recourse" basis. Other than as specifically indicated herein, neither the Vendor nor any of its directors, officers, employees, professional consultants or advisors, agents or representatives make or grant any representations, warranties, terms, conditions, understandings or collateral agreements, express or implied, statutory or otherwise, including, without limitation, under the *Sale of Goods Act* (Ontario), all of which are expressly waived by the Purchaser, with respect to title, encumbrances, outstanding liens, assignability, merchantability, condition, description, present or future uses, fitness for purpose or use, quality, quantity, cost, value or the validity, invalidity, or enforceability of any patent, copyright or trade-mark right, or as to any other matter whatsoever regarding the Purchased Assets or the Debtor. Without limiting the generality of the foregoing, the Purchaser acknowledges having conducted its own due diligence and investigations in respect of the environmental state of the Purchased Assets, the existence, nature, kind, state or identity of any Hazardous Materials on, under, or about the Purchased Assets, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under any Environmental Law, and the existence, nature, kind, state or identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Materials whether on, under or about the Purchased Assets or elsewhere. The Purchaser has relied entirely on its own judgment, inspection and investigation of the Purchased Assets, and further acknowledges that: at its own expense, it has inspected the Purchased Assets; and in entering into this Agreement and proceeding with and completing its purchase of the Purchased Assets pursuant hereto, it is satisfied with and has relied entirely on its own inspection, investigations and judgment.

18. **ENCROACHMENTS.**

The Purchaser agrees that the Vendor shall not be responsible for any matters relating to encroachments on or to the Purchased Assets, or encroachments onto adjoining lands, or to remove same, or for any matters relating to any Applicable Laws, including without limitation, zoning regulations or by-laws in existence now or in the future affecting any of the Purchased Assets.

19. **INDEMNIFICATION AND RELEASE BY PURCHASER.**

- (a) The Purchaser shall indemnify and save harmless the Vendor and its directors, officers, employees, agents and representatives (collectively, the "**Indemnitees**") from and against any and all Liabilities incurred by or asserted against them arising out of or in connection with the Purchased Assets after the Closing Date.
- (b) The Purchaser agrees to release and discharge the Vendor together with its directors, officers, employees, agents, and representatives from every claim of any kind that the Purchaser may make, suffer, sustain or incur in regard to any Hazardous Materials relating

to the Purchased Assets. The Purchaser further agrees that the Purchaser will not, directly or indirectly, attempt to compel the Vendor to clean up or remove or pay for the cleanup or removal of any Hazardous Materials, remediate any condition or matter in, on, under or in the vicinity of the Purchased Assets, or seek an abatement in the Purchase Price or damages in connection with any Hazardous Materials.

- (c) The foregoing provisions shall not merge on Closing and shall remain in effect thereafter without limitation.

20. NON-REGISTRATION.

The Purchaser hereby covenants and agrees that it shall not register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document, instrument or court order or judgement providing evidence of this Agreement against title to the Lands. Should the Purchaser be in default of its obligations under this Section 20, the Vendor may (as agent and attorney of the Purchaser) cause the removal of such notice of this Agreement, caution, certificate of pending litigation or other document providing evidence of this Agreement or any assignment of this Agreement from the title to the Purchased Assets. The Purchaser irrevocably nominates, constitutes and appoints the Vendor as its agent and attorney in fact and in law to cause the removal of such notice of this Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Purchased Assets. The Purchaser acknowledges and agrees that the Vendor may rely on the terms of this Section 20 as a full estoppel to any proceeding, suit, claim, motion or other action brought by the Purchaser in order to obtain and attempt to register against the title to the Lands any of the items set out in this Section 20.

21. MUTUAL CONDITIONS RE APPROVAL AND VESTING ORDER

This Agreement is conditional on:

- (a) the Court granting the Approval and Vesting Order; and
- (b) the Approval and Vesting Order becoming a Final Order, which may be waived in writing by the Parties at any time.

22. VENDOR'S CLOSING CONDITIONS.

The Vendor shall not be obliged to complete the Transaction unless, on or before the Closing Date, the following conditions shall have been satisfied, it being understood that the conditions are included for the exclusive benefit of the Vendor and may be waived in writing in whole or in part by the Vendor at any time:

- (a) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date with the same force and effect as if such representations and warranties were made at such time, and a certificate of the Purchaser, dated as of the Closing Date, to that effect shall have been delivered to the Vendor, such certificate to be in a form and substance satisfactory to the Vendor, acting reasonably;
- (b) all of the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed by the Purchaser;
- (c) no court order restraining or prohibiting the Closing shall have been made;
- (d) the Purchased Assets shall not have been removed from the Vendor's control; and
- (e) the delivery of the documents referenced in Section 25 to the Vendor.

23. PURCHASER'S CLOSING CONDITIONS.

The Purchaser shall not be obliged to complete the Transaction unless, on or before the Closing Date, the following conditions shall have been satisfied, it being understood that the conditions are included for the exclusive benefit of the Purchaser and may be waived in writing in whole or in part by the Purchaser at any time:

- (a) all the representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects on the Closing Date with the same force and effect as if such representations and warranties were made at such time, and a certificate of the Vendor, dated as of the Closing Date, to that effect shall have been delivered to the Purchaser, such certificate to be in a form and substance satisfactory to the Purchaser, acting reasonably;
- (b) all of the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Vendor on or before the Closing Date shall have been complied with or performed by the Vendor;
- (c) no court order restraining or prohibiting the Closing shall have been made and no legal proceeding shall be pending which enjoins, restricts or prohibits the purchase and sale of the Purchased Assets contemplated hereby; and
- (d) the delivery of the documents referenced in Section 21 to the Purchaser.

24. VENDOR'S CLOSING DELIVERIES.

The Vendor covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date expressly provided herein:

- (a) the Approval and Vesting Order;
- (b) the Receiver's Certificate;
- (c) a statement of adjustments prepared in accordance with Section 8 ("**Statement of Adjustments**") two Business Days before the Closing Date;
- (d) a general conveyance and assumption of liabilities with respect to Purchased Assets and the Assumed Liabilities;
- (e) if necessary, an assignment and assumption agreement with respect to the Debtor's right, title and interest in any Assigned Contracts;
- (f) a certificate setting out that the Vendor is not a "non-resident" of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada);
- (g) a copy of the Project Documents;
- (h) an application for vesting order in Teraview, prepared by the Vendor's Solicitors, in accordance with the Purchaser's direction re title; and
- (i) any other documentation relative to the completion of this Agreement as may reasonably be required by the purchaser or its solicitors.

25. PURCHASER'S CLOSING DELIVERIES.

The Purchaser covenants to execute, where applicable, and deliver the following to the Vendor at or prior to Closing:

- (a) an assumption of the Assumed Secured Debt;
- (b) the Purchaser's certificate setting out that each of the Purchaser's representations and warranties contained in this Agreement are true as at Closing;
- (c) a general conveyance and assumption of liabilities with respect to Purchased Assets and the Assumed Liabilities;
- (d) if necessary, an assignment and assumption agreement with respect to the Debtor's right, title and interest in any Assumed Contracts;
- (e) the Purchaser's certificate described in Subsection 28(b);
- (f) an undertaking with respect to refunds and/or reassessments of all realty taxes attributable to the period prior to the Closing Date;
- (g) the indemnity provided for under Subsection 19(a);
- (h) the indemnity provided for under Subsection 28(c);
- (i) a direction re title to confirm the name in which title to the Purchased Assets will be taken, provided that such direction must be provided to the Vendor no less than two (2) Business Days before the hearing date for the motion to obtain the Approval and Vesting Order; and
- (j) any other documentation relative to the completion of this Agreement as may reasonably be required by the Vendor or its solicitors.

26. DOCUMENTATION PREPARATION AND REGISTRATION.

The Vendor shall prepare or cause to be prepared all documentation described in Sections 24 and 25 hereof and shall deliver draft documentation to the Purchaser not less than five (5) Business Days prior to Closing. Except as otherwise expressly provided in this Agreement, all such documentation shall be in form and substance satisfactory to the Vendor, acting reasonably. The Purchaser shall be responsible for and pay all registration costs incurred in connection with the Transaction. Except as otherwise expressly provided in this Agreement, each of the Vendor and the Purchaser shall be responsible for and pay all legal and other professional/consultant fees and disbursements incurred by it, directly or indirectly, in connection with this Agreement.

27. LAND TRANSFER TAXES.

The Purchaser shall pay all land transfer taxes (as required pursuant to the *Land Transfer Tax Act* (Ontario)) payable in connection with the transfer of the Purchased Assets pursuant to this Agreement.

28. HARMONIZED SALES TAX.

- (a) The Purchaser acknowledges and agrees that the Transaction shall be subject to the goods and services tax and harmonized sales tax ("HST") levied pursuant to the ETA and that HST shall be in addition to and not included in the Purchase Price and shall be collected and remitted in accordance with the ETA.

- (b) Self-Assessment: If:
- (i) the Vendor is a non-resident of Canada or the Vendor would be a non-resident of Canada but for Subsection 132(2) of the ETA; and/or
 - (ii) the Purchaser is a "prescribed recipient" under the ETA and/or is registered under the ETA,

then the Purchaser shall deliver, prior to Closing, its certificate in form prescribed by the ETA or, if no such form is prescribed, then in form satisfactory to the Vendor and the Vendor's Solicitors, certifying that the Purchaser shall be liable for, shall self-assess and shall remit to the appropriate Government Authority all HST payable in respect of the Transaction. If Subsection (b)(i) hereof shall be applicable, then the Purchaser's certificate shall also include certification of the Purchaser's prescription and/or registration, as the case may be, and the Purchaser's HST registration number. If the Purchaser shall fail to deliver its certificate, then the Purchaser shall tender to the Vendor, at Closing, in addition to the balance otherwise due at Closing, an amount equal to the HST that the Vendor shall be obligated to collect and remit in connection with the Transaction.

- (c) The Purchaser shall indemnify and save harmless the Vendor, its directors, officers, employees, agents and representatives from all Liabilities, interest, and legal and other expenses incurred, directly or indirectly, in connection with the assessment of HST payable in respect of the Transaction.

29. **PLANNING ACT (ONTARIO).**

This Agreement shall be effective to create an interest in the Purchased Assets for the Purchaser only if Part VI of the *Planning Act* (Ontario) is complied with prior to Closing or if a Court orders the completion of the Transaction notwithstanding what would otherwise be non-compliance with Part VI of the *Planning Act* (Ontario).

30. **NOTICE.**

Any notice given hereunder shall be in writing and delivered or communicated by e-mail to:

- (a) in the case of the Purchaser at:
- (b) with a copy to the Purchaser's Solicitors;
- (c) and in the case of the Vendor at:

RSM Canada Limited
11 King Street West, Suite 700, Box 27
Toronto, Ontario M5H 4C7

Attention: Bryan Tannenbaum
Email: bryan.tannenbaum@rsmcanada.com

- (d) with a copy to the Vendor's Solicitors.

Such notice shall be deemed to have been delivered upon delivery or communicated upon transmission unless such notice is delivered or transmitted outside of usual business hours, in which event the notice shall be deemed to have been delivered or transmitted on the next Business Day. A Party may change its address and/or e-mail address by providing notice in accordance with this Section 30.

31. WAIVER OF CONDITIONS.

Except as otherwise provided in this Agreement, all conditions contained herein have been inserted for the benefit of either the Vendor or the Purchaser, as indicated, and are conditions of the obligations of such Party to complete the Transaction at Closing and are not conditions precedent of this Agreement. Any one or more of the said conditions may be waived, in writing, in whole or in part, by the benefiting Party without prejudice to the benefiting Party's right of termination in the event of the non-fulfilment of any other condition, and, if so waived, this Agreement shall be read exclusive of the said condition or conditions so waived. For greater certainty, the closing of the Transaction by a Party shall be deemed to be a waiver by such Party of compliance with any condition inserted for its benefit and not satisfied at Closing. For greater certainty, the condition under Section 21(a) cannot be waived by either Party.

32. SEVERABILITY.

If any provision contained in this Agreement or the application thereof to any Person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement and the application of such provision to such Person or circumstances other than those to whom it is held invalid or unenforceable, shall not be affected thereby and each provision contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

33. DIVISION/HEADINGS.

The division of this Agreement into sections, subsections, paragraphs and subparagraphs and the insertion of headings or captions are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any part hereof.

34. ENTIRE AGREEMENT.

This Agreement and the Schedules attached hereto constitute the entire agreement between the Vendor and the Purchaser in respect of the Purchased Assets. Each of the Parties acknowledges that, except as contained in this Agreement, there is no representation, warranty, collateral agreement or condition (whether a direct or collateral condition or an express or implied condition) which induced it to enter into this Agreement. Each of the Parties agree that all provisions of this Agreement, and all provisions of any and all documents and security delivered in connection herewith, shall not merge and except where otherwise expressly stipulated herein, shall survive Closing.

35. CUMULATIVE REMEDIES.

No remedy conferred upon or reserved to one or both of the Parties hereto is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

36. INTERPRETATION.

This Agreement shall be read with all changes of gender and number as required by the context.

37. STATUTE AND SECTION REFERENCES.

Except as otherwise provided in this Agreement, references to any statute herein shall be deemed to be a reference to such statute and any and all regulations from time to time promulgated thereunder and to such

statute and regulations as amended or re-enacted from time to time. Any reference herein to a specific section or sections, paragraph or subparagraphs and/or clause or clauses of any statute or regulations promulgated thereunder shall be deemed to include a reference to any corresponding provision of future law.

38. TIME OF ESSENCE.

Time shall in all respects be of the essence hereof provided that the time for the doing or completing of any matter referred to herein may be extended or abridged by an agreement, in writing, executed by the Vendor and the Purchaser or their respective solicitors who are hereby expressly appointed for that purpose.

39. CURRENCY AND PAYMENT OBLIGATIONS.

Except as otherwise provided in this Agreement, all dollar amounts referred to in this Agreement are stated in Canadian Dollars and any payment contemplated by this Agreement shall be made by certified cheque, bank draft or wire transfer.

40. TENDER.

Any tender of notices, documents and/or monies hereunder may be made upon the Vendor or the Purchaser or their respective solicitors. Monies may be tendered by a negotiable cheque certified or bank draft drawn on or issued by a Canadian chartered bank.

41. FURTHER ASSURANCES.

Except as otherwise expressed herein to the contrary, each Party shall, without receiving additional consideration therefor, co-operate with and take such additional actions as may be requested by the other Party, acting reasonably, in order to carry out the purpose and intent of this Agreement.

42. CONFIDENTIALITY.

The Purchaser agrees that all information and documents supplied by the Vendor or anyone on its behalf to the Purchaser or anyone on the Purchaser's behalf (including but not limited to information in the schedules hereto) shall, unless and until Closing occurs, be received and kept by the Purchaser and anyone acting on the Purchaser's behalf on a confidential basis and, without the Vendor's prior written consent shall not be disclosed to any Person. If for any reason Closing does not occur, all such documents shall forthwith be returned intact to the Vendor and no copies or details thereof shall be retained by the Purchaser or anyone acting on its behalf. The Purchaser and the Vendor further agree that unless and until the terms of this Agreement become public knowledge in connection with an application to the Court, the Purchaser shall keep such terms confidential and shall not disclose them to anyone except the Purchaser's solicitors, agents or lenders acting in connection herewith and then only on the basis that such Person also keeps such terms confidential as aforesaid.

43. NON-BUSINESS DAYS.

In the event that any date specified or any date contemplated in this Agreement shall fall upon a day other than a Business Day, then such date shall be deemed to be the next following Business Day.

44. GOVERNING LAWS.

This Agreement has been executed in the Province of Ontario and, for all purposes, shall be construed in accordance with and governed by the laws in effect within the Province of Ontario and the laws of Canada applicable therein.

45. ASSIGNMENT.

No Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party. Notwithstanding the foregoing, the Purchaser shall have the right, until five (5) Business Days before the hearing date for the motion to obtain the Approval and Vesting Order, upon written notice to the Vendor's Solicitors, to assign, in whole or part, its rights to acquire the Purchased Assets herein to any company or companies affiliated (as that term is defined in the Ontario *Business Corporations Act*) with the Purchaser, provided that such assignment shall not release the Purchaser from its obligations under this Agreement.

46. VENDOR'S CAPACITY.

It is acknowledged by the Purchaser that the Vendor is entering into this Agreement solely in its capacity as Court-Appointed Receiver of the Debtor and that the Vendor shall have no personal or corporate liability under or as a result of this Agreement. Any Liabilities against the Vendor shall be limited to and only enforceable against the property and assets then held by or available to it in its capacity as Receiver of the Debtor and shall not apply to its personal property and other assets held by it in any other capacity. The term "Vendor" as used in this Agreement shall have no inference or reference to the present registered owner of the Purchased Assets.

47. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

48. COUNTERPARTS AND ELECTRONIC TRANSMISSION.

This Agreement may be executed in any number of original counterparts, with the same effect as if each of the Parties had signed the same document, and will become effective when one or more counterparts have been signed by both of the Parties and delivered to the other. All counterparts will be construed together and evidence only one agreement, which, notwithstanding the dates of execution of any counterparts, will be deemed to be dated the first date set out above and accepted on the date of the last signature, and only one of which need be produced for any purpose.


49. IRREVOCABLE.

This Agreement shall be irrevocable by the Purchaser.

[remainder of this page intentionally left blank]

DATED as of the date first mentioned above.

MARBELLE ESTATES INC.

Per: 
Name: Mario Rapino
Title: OWNER

Per: _____
Name:
Title:

I/We have authority to bind the Corporation.

The Vendor hereby accepts this Agreement and agrees with the Purchaser to complete the Transaction, subject to and in accordance with the provisions contained herein.

DATED at Toronto, Ontario this 26TH day of AUGUST, 2022.

RSM CANADA LIMITED, solely in its capacity as Court-appointed receiver of all of the assets, undertakings and properties of Areacor Inc., and not in its personal or corporate capacity

Per: _____
Name: Bryan A. Tannenbaum
Title: President

I have authority to bind the Corporation.

SCHEDULE "A"
THE LANDS

The lands and premises municipally known as 15 Cannon Street West, Hamilton, Ontario and legally described as Part of Lot 13, Block 6 Plan 39, Part 1 on 62R-21575; subject to an easement as in Instrument No. WE1493193; City of Hamilton, being all of PIN 17586-0153 (LT).

**SCHEDULE “B”
THE PERMITTED ENCUMBRANCES**

1. any registered reservations, restrictions, rights of way, easements or covenants that run with the Lands;
2. any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service;
3. all Applicable Laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the Lands;
4. any minor easements for the supply of utility service to the Lands or adjacent properties;
5. encroachments disclosed by any errors or omissions in existing surveys of the Lands or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-laws or any other Applicable Law, by-laws or regulations which might be disclosed by a more up-to-date survey of the land and survey matters generally;
6. the exceptions and qualifications set forth in the *Land Titles Act* (Ontario);
7. the reservations contained in the original grant from the Crown;
8. liens for taxes if such taxes are not due and payable;
9. Instrument No. WE1329678, registered on December 24, 2018, being a notice of agreement between the Debtor and the City of Hamilton;
10. Instrument No. WE1375037, registered on August 19, 2019, being an application to consolidate;
11. 62R-21575, registered on November 25, 2020, being a reference plan;
12. WE1472027, registered on November 25, 2020, being a notice of application for absolute title; and
13. Instrument No. WE1493193, registered on February 2, 2021, being an easement in favour of Bell Canada.

SCHEDULE "C"
ASSUMED CONTRACTS

1. Agreement pursuant to the *Planning Act* (Ontario) between the Debtor and the City of Hamilton dated November 27, 2018 as per Instrument No. WE1329678, which assumption is subject to the prior written consent of the City of Hamilton in accordance with the terms therein. **[Draft Note: Confirm]**

2. Municipal Car Park Use License Agreement between the Vendor and the City of Hamilton dated 22, AUGUST, 2022.

SCHEDULE "D"
MZG MORTGAGE

1. Instrument No. WE1293837, registered on June 29, 2018, is a Charge/Mortgage of Land in the principal amount of \$12,000,000 in favour of MZG:
 - (i) Instrument No. WE1293838, registered on June 29, 2018, is a Notice of Assignment of Rents.
 - (ii) Instrument No. WE1293839, registered on June 29, 2018, is a Notice of Assignment of Rents.
 - (iii) Instrument No. WE1293840, registered on June 29, 2018, is a Restriction-Land.
 - (iv) Instrument No. WE1293841, registered on June 29, 2018, is a Restriction-Land.
 - (v) Instrument No. WE1493195, registered on February 25, 2021, is a Postponement in favour of Bell Canada, relating to Transfer Easement WE1493193.

SCHEDULE "E"
EXISTING AGREEMENTS OF PURCHASE AND SALE

TAB S

RSM Canada Limited
Court-Appointed Receiver of Areacor Inc.
Interim Statement of Receipts and Disbursements
for the period January 13, 2022 to August 31, 2022

Receipts

Advance from Secured Creditor (Note 1)	\$	250,000
HST Refunds		3,364
Cash in Bank		2,130
Interest		135
Total Receipts	\$	<u>255,630</u>

Disbursements

Insurance	\$	57,638
Repairs and Maintenance		22,000
Equipment Rental		16,000
Advertising		10,462
Financing Fees		10,000
Interest		10,013
Storage and Security		3,048
Consulting Fees		1,080
Miscellaneous		2,296
Utilities		960
Receiver's fees		65,945
Legal fees		23,681
HST and PST		23,306
Total Disbursements	\$	<u>246,428</u>

Excess of receipts over disbursements	\$	<u>9,202</u>
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Notes:

1. This amount represents an advance from Marshallzehr Group Inc. secured by Receiver Certificate No. 1.

TAB T

Court File No. CV-22-00674747-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

MARSHALLZEHR GROUP INC.

Applicant

- and -

AREACOR INC

Respondent

AFFIDAVIT OF BRYAN A. TANNENBAUM
(Sworn September 7, 2022)

I, **BRYAN A. TANNENBAUM**, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am the president of RSM Canada Limited ("**RSM**") 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 Ontario Superior Court of Justice (Commercial List), dated January 13, 2022, RSM was appointed receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Areacor Inc.

3. Attached hereto and marked as **Exhibit "A"** to this my affidavit are copies of invoices issued by RSM for fees and disbursements incurred by RSM in respect of the receivership proceedings from January 7, 2022 to July 31, 2022, and estimated to completion (the "**Period**"). The total fees charged and estimated for the Period are \$207,515.50, plus disbursements of \$226.94 and HST of \$27,006.52, for a total of \$234,748.96. The average hourly rate charged during the Period, excluding the estimated fees to completion was \$413.43.

4. The invoices are a fair and accurate description of the services provided and the amounts charged by RSM 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 remotely by)
 Bryan A. Tannenbaum, stated as)
 being located at the City of Toronto in)
 the Province of Ontario, before me at)
 the City of Toronto in the Province of)
 Ontario, on September 7, 2022, in)
 accordance with O. Reg 431/20,)
 Administering Oath or Declaration)
 Remotely.)

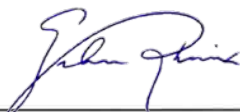


 BRYAN A. TANNENBAUM



 A Commissioner, etc.

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF BRYAN A. TANNENBAUM SWORN
BEFORE ME THIS 7th DAY OF SEPTEMBER, 2022**

A handwritten signature in blue ink, appearing to read "John P. ...", is written above a horizontal line.

A Commissioner, etc.



RSM CANADA LIMITED
Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

GST/HST: 80784 1440 RT 0001

T +1 416 480 0160
 F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
 Court-Appointed Receiver of Areacor Inc.
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date March 24, 2022

Client File 7957635/10001

Invoice 1

No. 6599260

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-Appointed Receiver of Areacor Inc. for the period January 7, 2022 to February 28, 2022.

Date	Professional	Description
1/7/2022	Bryan Tannenbaum	Conference call with H. Chaiton of Chaitons LLP ("Chaitons") and G. Phoenix of Loopstra Nixon LLP.
1/13/2022	Bryan Tannenbaum	Receipt and review of various emails with lawyers prior to Court; attend Court for appointment of Receiver; receipt and review of various emails from Chaitons with draft of Court Order and endorsement to the Judge; email to J. Berger to organize and commence file; email from J. Berger re insurance, etc.; telephone call with J. Berger re insurance issues.
1/13/2022	Jeff Berger	Review Application Record, Appointment Order, and other background documents; discuss appointment with B. Tannenbaum; arrange for temporary insurance coverage with T. Thompson of HUB International Insurance Brokers; arrange for Receiver's web page to be established; request court documents to be posted to Receiver's web page; contact E. Moreau of Moreau Property Services ("Moreau") and arrange site visit for January 14, 2022.
1/14/2022	Bryan Tannenbaum	Review and edit letter to R. Gilyana with J. Berger regarding a call and information required; call with R. Gilyana and J. Berger regarding introduction and information requests, etc.; Webex call with H. Chaiton, MarshallZehr Group Inc. ("MZ") (C. Hayes, M. Snedden, S. Atkinson) to organize and plan file.
1/14/2022	Jeff Berger	Prepare and send request for information to R. Gilyana; call with R. Gilyana and B. Tannenbaum to discuss the Receiver's information request and background on the Hamilton property; receipt and review of documents from R. Gilyana; discuss same with B. Tannenbaum; call with E. Moreau re site attendance and condition of property, security fence, etc.; forward debtor's insurance policy to T. Thompson and call with T. Thompson to discuss sufficiency of coverage; email to L. Murray of Canadian Insurance Brokers re Receiver assuming current insurance policy; call with L. Murray re same; conference call with B. Tannenbaum, H. Chaiton, M. Snedden, C. Hayes, S. Atkinson re receivership background and sale strategy.

March 24, 2022
 Invoice 1
 Page 2

Date	Professional	Description
1/18/2022	Bryan Tannenbaum	Receipt and review of J. Berger email re open BMO account; execute BMO letter; telephone call from J. Berger re funding/Receiver's Certificates for various receivership expenses.
1/18/2022	Jeff Berger	Arrange for BMO trust account to be opened for the receivership estate.
1/19/2022	Jeff Berger	Call and email to Livepatrol re security monitoring on site at 15 Cannon St. W.; follow-up email to L. Murray.
1/20/2022	Donna Nishimura	Prepare labels for S.245 mailing.
1/20/2022	Bryan Tannenbaum	Review the draft S.245/246 reports; sign final report.
1/20/2022	Jeff Berger	Draft and finalize the S.245/246 Notice and Statement of the Receiver; forward to B. Tannenbaum for review and signature; arrange for mailing of S.245/246 Notice; email to S. Atkinson re funding of receivership.
1/21/2022	Bryan Tannenbaum	Receipt and review of statement of claim from Demand Electric; email to J. Berger re register Court Order on title; receipt and review of Chaitons responding letter to Demand Electric lawyers re stay of proceedings.
1/21/2022	Jeff Berger	Emails with T. Thompson and incumbent broker re insurance coverage; review lien claim and discuss same with S. Rappos of Chaitons; arrange with S. Rappos for the receivership order to be registered on title.
1/24/2022	Donna Nishimura	Fax S.245 report and Court Order to the Office of the Superintendent of Bankruptcy.
1/24/2022	Jeff Berger	Conference call with S. Atkinson and L. Evans of MZ re Receiver's funding requirements and background information on the subject property; set up cloud folder for Debtor to upload documents; follow-up email to debtor re outstanding information required by the Receiver.
1/25/2022	Bryan Tannenbaum	Call from J. Berger regarding his call with R. Gilyana stating that City notified the Debtor previously about unsafe structure.
1/25/2022	Jeff Berger	Call with A. Robinson of Lintack Architects Inc. ("Lintack"); email to A. Robinson; email to L. Murray and S. Bell to advise of Order to Comply; receipt and review of various information from R. Gilyana; review of Order to Comply from City of Hamilton and call to N. Teal of the City of Hamilton re same.
1/26/2022	Jeff Berger	Call with T. Thompson re risk due to construction deficiencies and information required in order to assess same; receipt and review of information from R. Gilyana; email to S. Rappos re settlement documents pertaining to Areacor and Fusioncorp mediation; call with N. Teal re Order to Comply and extension of deadline for response to same; follow-up email to N. Teal; review email from T. Thompson re additional information required in order to assess risk.
1/27/2022	Bryan Tannenbaum	Review draft email to MZ with J. Berger regarding the construction deficiencies and City of Hamilton work order; edit same.
1/27/2022	Jeff Berger	Conference call with R. Lintack, A. Lintack, and A. Robinson of Lintack; call with M. Swift of Centric Engineering Corporation ("CEC") regarding the City of Hamilton Order to Comply and CEC's investigation of the construction deficiencies; call with B. Tannenbaum re same; email to MZ re Order to Comply, construction deficiencies, and Receiver's concerns; email to L. Murray

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 Invoice 1
 Page 3

Date	Professional	Description
		and S. Bell re status of Debtor's liability insurance and review of Order to Comply; call with T. Thompson re property insurance coverage.
1/28/2022	Bryan Tannenbaum	Telephone call with J. Berger regarding the revised email to MZ on the construction deficiencies and City of Hamilton work order.
1/28/2022	Jeff Berger	Email to MZ re City of Hamilton Order to Comply; discuss same with B. Tannenbaum; various calls with M. Swift re structural issues and engineering report required by the City of Hamilton to address same.
1/31/2022	Jeff Berger	Attend on site at 15 Cannon St. to obtain information for insurance broker; travel to and from Hamilton; conference call with B. Tannenbaum and representatives of MZ to discuss Order to Comply and structural integrity issues; calls with various consultants and contractors re same; review information from Debtor and MZ and compile list of documents for data room; email to R. Gilyana re access code to lockbox and attendance at property.
1/31/2022	Bryan Tannenbaum	Zoom call with MZ (C. Hayes, S. Atkinson, Josh, L. Evans) and J. Berger to discuss City of Hamilton work order and need for engineering report and sale process, etc.; telephone call with J. Berger.
2/1/2022	Jeff Berger	Call with the City of Hamilton re outstanding property tax balance; email to the City of Hamilton re same; call with E. Odeh to discuss the sale process requirements (data room composition, teaser, confidential information memorandum ("CIM"), newspaper advertisement, etc.); draft schedule of estimated funding requirements; call with P. Cannon of Terraprobe; call with M. Swift of Centric Engineering; call with D. Kolev of Coreslab re additional investigations to be undertaken.
2/2/2022	Echa Odeh	Open new data room; review of shared drive with company documents.
2/2/2022	Jeff Berger	Email to Coreslab and Terraprobe re additional investigations to be done in order to respond to Order to Comply; call with S. Rappos to provide update on Receiver's administration.
2/3/2022	Echa Odeh	Prepare draft CIM and draft teaser; collate documents to be put into data room.
2/4/2022	Echa Odeh	Review of draft sales marketing documents and email to J. Berger for review.
2/4/2022	Bryan Tannenbaum	Discussion with J. Berger re status of data room and update to MZ.
2/7/2022	Echa Odeh	Email to Alectra Utilities; update data room index; upload documents into sandbox data room folder.
2/7/2022	Jeff Berger	Email to J. Gushue of Terraprobe to request quote for additional investigative work; review data room documents and draft marketing materials for the sale process (CIM, Teaser, Cover Letters, Confidentiality Agreement); discuss same with E. Odeh.
2/8/2022	Bryan Tannenbaum	Review and update J. Berger email report to MZ; discuss same with J. Berger; finalize for him to send.
2/8/2022	Jeff Berger	Email update to MZ; discuss same with B. Tannenbaum and amend accordingly.
2/9/2022	Bryan Tannenbaum	Receipt and review of J. Berger email attaching email from the City of Hamilton regarding the Order to Comply; review J. Berger draft reply; discussion with

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 Invoice 1
 Page 4

Date	Professional	Description
		J. Berger re Order to Comply and S. Rappos speaking with representatives of the City of Hamilton.
2/9/2022	Echa Odeh	Phone call with Canada Revenue Agency.
2/9/2022	Jeff Berger	Email to R. Gilyana to request additional information; email to J. Gushue to follow up re quote for additional investigative work; review and respond to email from B. Nuttall of City of Hamilton re response to the Order to Comply; discuss same with B. Tannenbaum.
2/10/2022	Jeff Berger	Email to R. Gilyana requesting additional information re vehicle lease, other items; call from R. Gilyana re same; discuss vehicle and insurance with E. Odeh; emails with B. Nuttall re status of response to Order to Comply; call with B. Nuttall re same; receipt and review of Terraprobe proposal for additional investigations; email to MZ to follow up re status of funding, etc.
2/11/2022	Echa Odeh	Draft letters to banks to freeze accounts.
2/14/2022	Bryan Tannenbaum	Receipt and review of G. Phoenix email attaching letter from debtor's lawyer; response sent to speak tomorrow.
2/14/2022	Echa Odeh	Make amendments to marketing documents and discussion with J. Berger; phone call with Alectra Utilities; email with B. Tannenbaum.
2/15/2022	Bryan Tannenbaum	Receipt and review of J. Berger email to S. Rappos re City of Hamilton discussions and development charges attached to the property tax roll.
2/15/2022	Arif Dhanani	Review, amend and sign letters to go to Ford Credit, Pembridge Insurance Company, TD Canada Trust and First Ontario Credit Union.
2/15/2022	Echa Odeh	Draft letters to Ford Credit and Insurance company; email and fax letters to the banks, insurer and leasing company.
2/16/2022	Echa Odeh	Phone call and email to Xerox.
2/16/2022	Bryan Tannenbaum	Telephone call from G. Phoenix re debtor's lawyer response information; receipt and review of J. Berger email referring to Westmount; telephone J. Emanoilidis of Westmount re prospective purchasers.
2/17/2022	Daniel Weisz	Process electronic payment.
2/17/2022	Donna Nishimura	Prepare cheque requisitions for payment of invoices and submit for payment.
2/17/2022	Echa Odeh	Email to TD Bank; phone call with purchaser; email to J. Berger.
2/18/2022	Echa Odeh	Phone call to Kent Metal re investigative work required; phone call to First Ontario; email with TD Bank; draft email to R. Gilyana and send to J. Berger for review; draft letter to Canada Revenue Agency ("CRA") and AUT-01 form; draft newspaper advertisement.
2/18/2022	Jeff Berger	Arrange payment of outstanding insurance premium; call with S. Rappos re property tax adjustments and his discussion with the City of Hamilton re same.
2/22/2022	Echa Odeh	Phone call with Kent Metal and email re same; phone calls to organize site visits; fax letter to CRA re opening of HST account for the Receiver; phone call with J. Berger regarding update on file; phone call with purchaser; phone calls regarding snow removal quotes.
2/23/2022	Arif Dhanani	Call with J. Berger re data room folders; review data room folders and message J. Berger re creation of shared folder; subsequent call with J. Berger

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 Invoice 1
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Date	Professional	Description
		re Debtor's provision of documents; download documents; create data room shared folder and contents therein to share with counsel and secured lender.
2/23/2022	Bryan Tannenbaum	Letter to Areacor counsel following up on names of prospective purchasers; receipt and review of J. Berger draft marketing email to MZ; discuss same with J. Berger and revise.
2/23/2022	Jeff Berger	Arrange for third party inspections to be scheduled in response to the Oder to Comply; prepare update to secured lender and discuss same with B. Tannenbaum; set up data room and discuss same with A. Dhanani; calls with E. Odeh while she was on site; call with B. Tannenbaum to provide a status update on the administration of the file.
2/23/2022	Echa Odeh	Attend client site; take photos at the property; upload photos and discussion with J. Berger regarding site; request documents from engineer.
2/24/2022	Bryan Tannenbaum	Review data room and index.
2/24/2022	Jeff Berger	Prepare data room index and circulate.
2/24/2022	Echa Odeh	Email to Bell Canada; emails to snow removal contractors; review of mail and summarize invoices outstanding; review of documents from engineer; create shared drive and share documents with Terraprobe; phone call and email with E. Moreau; phone calls with suppliers regarding deposits and email to J. Berger re same; prepare receipt processing form and deposit slip.
2/25/2022	Echa Odeh	Review of cameras and send pictures to snow removal company; review of documents provided by engineer and upload to shared drive; email to Terraprobe; email to Kent Metal; organize for cheque to be processed.
2/28/2022	Echa Odeh	Email to Terraprobe regarding property access; email with snow removal company.
		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.

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 Invoice 1
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FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	10.10	\$ 625	\$ 6,312.50
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.10	\$ 595	59.50
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	2.30	\$ 485	1,115.50
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Vice President	60.90	\$ 425	25,882.50
Echa Odeh	Senior Associate	19.50	\$ 250	4,875.00
Donna Nishimura	Estate Administrator	0.90	\$ 110	99.00
Total hours and professional fees		93.80		\$ 38,344.00
Disbursements				
Photocopies	\$ 23.00			
Postage	21.16			
Travel	86.26			
Total disbursements				130.42
Total professional fees and disbursements				\$ 38,474.42
HST @ 13%				5,001.67
Total payable				\$ 43,476.09

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt
 RSM Canada Limited



RSM CANADA LIMITED
Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

GST/HST: 80784 1440 RT 0001

T +1 416 480 0160
 F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
 Court-Appointed Receiver of Areacor Inc.
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date April 21, 2022

Client File 7957635/10001

Invoice 2

No. 6634238

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-Appointed Receiver of Areacor Inc. for the period March 1, 2022 to March 31, 2022.

Date	Professional	Description
3/1/2022	Bryan Tannenbaum	Receipt and review of MarshallZehr Group Inc. ("MZ") Loan Agreement for Receiver's Certificate; discuss with J. Berger.
3/1/2022	Echa Odeh	Email to Richmond Advisory Services Inc. ("RAS") and Coreslab regarding site inspection; email to Demand Electric regarding prepayment; email sent to Schindler regarding prepayment; email sent to debtor regarding outstanding returns; prepare cheque requisitions for payment.
3/1/2022	Jeff Berger	Review draft lending agreement from MZ and provide comments re same to L. Evans of MZ; discuss same with B. Tannenbaum.
3/2/2022	Daniel Weisz	Process electronic payment.
3/2/2022	Anne Baptiste	Post receipt.
3/2/2022	Bryan Tannenbaum	Receipt and review of amended MZ funding agreement; execute and return.
3/2/2022	Echa Odeh	Email with J. Berger regarding outstanding T4s; email and phone call with R. Gilyana regarding outstanding T4s; email to Sunbelt regarding payment; email and phone call with Enbridge Gas.
3/2/2022	Jeff Berger	Review amended Lending Agreement from MZ and discuss same with B. Tannenbaum; arrange for Lending Agreement to be executed by B. Tannenbaum; call with S. Rappos of Chaitons LLP re letter from counsel to Fusioncorp; discuss same with B. Tannenbaum.
3/3/2022	Bryan Tannenbaum	Receipt and review of E. Odeh email re First Ontario Bank refund and Canada Emergency Business Account ("CEBA").
3/3/2022	Echa Odeh	Phone call with Ford Credit regarding lease takeover; review of proof of claim; email to J. Berger regarding lease takeover and motor vehicle valuation; phone call with Canam-Appraiz regarding motor vehicle valuation; email to Canam-Appraiz to obtain valuation; phone call with Canada Revenue Agency ("CRA") regarding CRA access; prepare authorization request for CRA access and email to R. Gilyana; phone call with First Ontario Bank regarding funds in

April 21, 2022
 Invoice 2
 Page 2

Date	Professional	Description
		account and CEBA loan; review of CEBA loan and email sent to J. Berger; provide site access to RAS.
3/4/2022	Anne Baptiste	Post disbursement.
3/4/2022	Bryan Tannenbaum	Call with S. Rappos and J. Berger regarding a response to the Glaholt Bowles LLP ("Glaholt") letter and the issue of the City of Hamilton (the "City") registering the development charges on title; receipt and review of S. Rappos email to Glaholt advising that Receiver is addressing the issues.
3/4/2022	Echa Odeh	Upload Authorization request to CRA website; email sent to R. Gilyana to accept authorization for CRA access; email to Xerox regarding printer on site.
3/4/2022	Jeff Berger	Email to Northstar Access re shoring equipment rentals; call with D. Thomas of Northstar Access re same; email to Wilscott re trailer on site; receipt and review of documentation from Xerox re copier on site.
3/7/2022	Daniel Weisz	Process electronic transfer.
3/7/2022	Bryan Tannenbaum	Receipt and review of Simpson Wagle LAW LLP email re unsecured creditor; receipt and review of email from Westmount on status; telephone call with J. Berger re Coreslab needing ice removal.
3/7/2022	Echa Odeh	Provide update to J. Berger regarding inspections; email to Alectra regarding water bill; review of inspections reports received; email sent to Coreslab to organize inspection; phone call with Coreslab; discussion with RAS regarding snow and ice removal; review of quote and check site cameras for snow; email to J. Berger regarding quote; email to RAS regarding amended quote.
3/8/2022	Bryan Tannenbaum	Receipt and review of J. Thiessen email providing name of prospective purchaser.
3/8/2022	Echa Odeh	Emails to RAS regarding site inspection.
3/10/2022	Bryan Tannenbaum	Telephone call with J. Berger re status update on engineering report and outstanding work/clean-up of site, reporting to MZ, etc.
3/10/2022	Echa Odeh	Meeting with Engineers regarding inspections; phone call with purchaser regarding purchaser concerns.
3/10/2022	Jeff Berger	Call with R. Lintack and A. Robinson of Lintack Architects Inc. ("Lintack") and M. Swift of Centric Engineering Corporation ("CEC") regarding the pending hollowcore investigation and the related site clean-up work requested by the investigator.
3/11/2022	Daniel Weisz	Process electronic payment.
3/11/2022	Bryan Tannenbaum	Receipt and review of J. Berger email regarding visiting site on Monday to meet with the City and Pronto General Contractors ("Pronto"), etc.; receipt and review of E. Odeh email that pre-appointment HST returns and 2021 T4s have been filed with CRA; review draft status report with J. Berger; receipt and review of MZ wire transfer of funds to our account.
3/11/2022	Echa Odeh	Send email to debtor's counsel regarding purchaser deposits; email to Schindler regarding prepayment; discussion with J. Berger regarding expenses; prepare receipt processing form and deposit slip; review of T4 and HST returns received from the debtor.

April 21, 2022
 Invoice 2
 Page 3

Date	Professional	Description
3/11/2022	Jeff Berger	Draft update to secured lender and discuss same with B. Tannenbaum; email to S. Rappos re review of draft marketing materials; correspond with L. Evans re advance of funds to the Receiver.
3/14/2022	Daniel Weisz	Process electronic transfer.
3/14/2022	Jeff Berger	Email to E. Odeh re transferring MZ advance to correct trust account; attend on site at property to meet with G. Abbiento of Pronto to review scope of work required to prepare the site for Coreslab's investigation; meet with representatives of the City to discuss the need for continued occupancy of the parking lot throughout the receivership; travel to and from the site; email to L. Murray re payment for liability policy.
3/14/2022	Echa Odeh	Prepare receipt processing forms for transfer of funds; email to S. Rappos regarding notice to purchasers.
3/15/2022	Jeff Berger	Arrange for payment of outstanding insurance premiums; call from A. Sookhoo of Wilscott regarding the site trailer at the property; call from R. St. Jean regarding return of purchaser deposits and status of existing purchase agreements.
3/15/2022	Echa Odeh	Email to Demand Electric; organize site visit for Northstar; prepare cheque requisition for payment for expenses.
3/15/2022	Daniel Weisz	Process electronic payment.
3/16/2022	Echa Odeh	Phone call with purchaser.
3/16/2022	Bryan Tannenbaum	Receipt and review of E. Odeh email regarding R. Arnold, prospective purchaser; telephone call from Pronto regarding clean-up of the site, etc.
3/17/2022	Anne Baptiste	Post receipt and disbursements.
3/17/2022	Bryan Tannenbaum	Discussion with J. Berger regarding receipt of Pronto quote and decision to retain, status of engineering report, status report to draft, etc.
3/17/2022	Echa Odeh	Email to Coreslab regarding site inspection.
3/18/2022	Bryan Tannenbaum	Telephone call from J. Berger on his way back from Hamilton regarding his meeting with lessor of forming beams, etc.; receipt and review of E. Odeh email regarding Hamilton Spectator inquiry; discuss with J. Berger.
3/18/2022	Echa Odeh	Email and phone call with R. Gilyana regarding lease takeover; email and phone call with Ford Credit regarding lease takeover; phone call with Hamilton Spectator regarding request for information; email sent to B. Tannenbaum regarding call from Hamilton Spectator.
3/18/2022	Jeff Berger	Attend on site to meet with representatives of Northstar Access; travel to and from Hamilton.
3/21/2022	Echa Odeh	Prepare note for initial call from Hamilton Spectator; email to Terraprobe; phone call with purchaser.
3/21/2022	Bryan Tannenbaum	Receipt and review of J. Berger email with articles from the Hamilton Spectator; receipt and review of E. Odeh email regarding Facebook group; receipt and review of J. Berger email regarding reporter; receipt and review of S. Rappos email regarding deposit summary; receipt and review of J. Berger email providing same; Zoom call with Chaitons (S. Rappos/H. Chaiton), J. Berger and E. Odeh re purchaser deposits, liens, City land lease for

April 21, 2022
 Invoice 2
 Page 4

Date	Professional	Description
		adjacent property, engineering issues, sales/marketing materials; execute Receiver's Certificate #1; receipt and review of parking agreement.
3/21/2022	Jeff Berger	Call with B. Tannenbaum, H. Chaiton and S. Rappos re status of draft form of Agreement of Purchase and Sale ("APS"), purchaser deposits, and ongoing investigations on site; receipt and review of parking lot lease from the City and forward same to S. Rappos for comments; receipt and review of Chaitons comments on draft Confidential Information Memorandum and discuss same with E. Odeh.
3/22/2022	Bryan Tannenbaum	Receipt and review of S. Rappos email attaching City Authorization for search; execute and return same.
3/23/2022	Echa Odeh	Email to RAS regarding site inspection and prepare cheque requisition; update newspaper ad.
3/23/2022	Bryan Tannenbaum	Edit and discuss status report to MZ with J. Berger; receipt and review of C. Hayes of MZ email regarding possible stalking horse bid; emails to Chaitons re same.
3/23/2022	Jeff Berger	Prepare update to secured lender; discuss same with B. Tannenbaum; call with G. Abbiento re status of site clean-up; call from S. Bell re quote for property insurance policy.
3/24/2022	Daniel Weisz	Process electronic payment.
3/24/2022	Anne Baptiste	Post disbursement.
3/24/2022	Bryan Tannenbaum	Receipt and review of J. Berger draft email to purchasers; discuss and have him forward to Chaitons; receipt and review of J. Berger email to S. Rappos with answers to his questions on the marketing material; receipt and review of S. Rappos email with comments on draft letter to purchasers.
3/24/2022	Echa Odeh	Calculate HST amounts for return; email to J. Berger for review.
3/24/2022	Jeff Berger	Draft letter to purchasers re status of purchase agreements and deposits; call with J. MacLellan of Borden Ladner Gervais LLP re Aviva surety and claims process, etc.; review purchase agreements and Tarion Addendum; phone calls from various purchasers.
3/25/2022	Anne Baptiste	Prepare bank reconciliation.
3/25/2022	Bryan Tannenbaum	Receipt and review of J. Berger email attaching confirmation of deposit amounts held by G. Harris of Harris Sheaffer LLP ("Harris Sheaffer"); receipt and review of S. Rappos email regarding him discussing our letter to purchasers with counsel for Tarion and Aviva/Westmount; receipt and review of J. Berger email to S. Rappos with comments on the draft letter to purchasers; receipt and review of S. Rappos email regarding Fusioncorp documents; discussion with J. Berger regarding purchaser's letter, etc.; receipt and review of S. Rappos email regarding clarity on the purchaser's deposits; receipt and review of S. Rappos email to Glaholt regarding status and lien claim; receipt and review of S. Rappos email responding to our concerns about termination of purchaser's agreements, etc.
3/25/2022	Echa Odeh	Email to Harris Sheaffer regarding purchaser deposits.
3/25/2022	Jeff Berger	Receipt and review of emails from S. Rappos; call with S. Rappos re notice to purchasers, status of deposits, and Chaitons' review of the municipal parking lot lease agreement; receipt and review of S. Rappos' comments on draft

April 21, 2022
 Invoice 2
 Page 5

Date	Professional	Description
		notice to purchasers; review email from G. Harris re confirmation of funds held in trust.
3/28/2022	Echa Odeh	Email to Coreslab regarding site inspection; email to newspapers for quote; update list of prospective purchasers; phone call to Wasteco regarding bins on site.
3/28/2022	Bryan Tannenbaum	Review prospective purchaser's mailing list; receipt and review of Ms. Mosadeq, representing Areacor, email regarding the status of sale; response sent.
3/28/2022	Jeff Berger	Review and finalize list of prospective purchasers; discuss same with E. Odeh and B. Tannenbaum; call S. Rappos re review of notice to purchasers and discussions with counsel to Tarion and Westmount/Aviva.
3/29/2022	Daniel Weisz	Process electronic payments.
3/29/2022	Echa Odeh	Prepare draft interim statement of receipts and disbursements; prepare cheque requisition; file HST returns; amend receipt processing form; email to R. Gilyana regarding lease takeover; email to Globe and Mail regarding advertisement.
3/29/2022	Jeff Berger	Review and edit interim statement of receipts and disbursements; forward same to B. Tannenbaum for discussion; call from Pronto re status of site clean-up.
3/30/2022	Echa Odeh	Email to Hamilton Spectator regarding advertisement.
3/30/2022	Bryan Tannenbaum	Receipt and review of S. Rappos email attaching draft APS; receipt and review of L. Evans email on status of sale process; discuss with J. Berger and review/edit his draft response.
3/30/2022	Jeff Berger	Email to L. Evans; call with Delyan re timing of Coreslab investigation and report; call with G. Abbiento re completion of site clean-up and preparation for Coreslab.
3/31/2022	Bryan Tannenbaum	Receipt and review of J. Berger email attaching third article in Hamilton Spectator; receipt and review of J. Berger email attaching final draft letter to purchasers, as reviewed by counsel.
3/31/2022	Echa Odeh	Prepare receipt processing form; email to Schindler regarding prepayment; phone call with Demand Electric regarding prepayment; prepare mail merge list and mail merge notice to purchasers; make amendments to mail merge list, finalize merge and email letter to purchasers.
3/31/2022	Jeff Berger	Review and finalize letter to purchasers; receipt and review of email from J. MacLellan re draft notice to purchasers; discuss same with S. Rappos and B. Tannenbaum.
		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.

April 21, 2022
 Invoice 2
 Page 6

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	12.40	\$ 625	\$ 7,750.00
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.90	\$ 595	535.50
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Vice President	35.70	\$ 425	15,172.50
Echa Odeh	Senior Associate	16.00	\$ 250	4,000.00
Anne Baptiste	Estate Administrator	1.30	\$ 110	143.00
Total hours and professional fees		66.30		\$ 27,601.00
HST @ 13%				3,588.13
Total payable				\$ 31,189.13

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
 RSM Canada Limited



RSM CANADA LIMITED
 Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

GST/HST: 80784 1440 RT 0001

T +1 416 480 0160
 F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
 Court-Appointed Receiver of Areacor Inc.
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date May 13, 2022

Client File 7957635/10001

Invoice 3

No. 6677932

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-Appointed Receiver of Areacor Inc. for the period April 1, 2022 to April 30, 2022.

Date	Professional	Description
4/1/2022	Echa Odeh	Re-send notice to some of the purchasers; phone call with purchaser; email sent to Terraprobe; email to newspapers to publish ads; email to purchaser.
4/1/2022	Bryan Tannenbaum	Receipt and review of J. Berger email attaching: (1) Confidential Information Memorandum ("CIM"); (2) Teaser Brochure; (3) Newspaper Advertisements; (4) Letter to Prospective Purchasers; (5) Letter to Referral Sources; (6) Template Agreement of Purchase and Sale; (7) Confidentiality Agreement ("CA"), and (8) Data Room Index; telephone call with J. Berger re same and discuss weekly status report to be sent today; receipt and review of J. Berger draft status report, edit and discuss with J. Berger.
4/1/2022	Jeff Berger	Prepare update to secured lender and discuss same with B. Tannenbaum; finalize CIM, Teaser Brochure, Newspaper Advertisement, CA, and letters to prospective purchasers in advance of the sale process launch on Monday; review template Agreement of Purchase and Sale ("APS") from Chaitons LLP and discuss same with B. Tannenbaum; review data room and organize same; review and respond to various emails from unit purchasers.
4/4/2022	Donna Nishimura	Prepare and send email blast re Prime Real Estate Development Opportunity; insert responses in Excel spreadsheet.
4/4/2022	Anne Baptiste	Post receipt.
4/4/2022	Bryan Tannenbaum	Receipt and review of independent security review from Loopstra Nixon LLP; review letters to prospective purchasers; responses from prospective purchasers.
4/4/2022	Jeff Berger	Redact purchase agreements for the data room; review and update data room contents in advance of sale process launch; finalize cover letter to prospective purchasers; discuss same with B. Tannenbaum; update email to secured lender re sale process launch; review and respond to emails from prospective purchasers.

May 13, 2022
 Invoice 3
 Page 2

Date	Professional	Description
4/5/2022	Bryan Tannenbaum	Email from prospective purchaser with CA; email from prospective purchaser re information; email from T. Bristow of Colliers; email from prospective purchaser; discussion with J. Berger regarding marketing efforts and providing update to Westmount representatives.
4/5/2022	Jeff Berger	Calls and emails from prospective purchasers; data room administration.
4/6/2022	Bryan Tannenbaum	Receipt and review of emails from prospective purchasers and stakeholders requesting information; receipt and review of S. Rappos of Chaitons email attaching building and zoning reports; receipt and review of S. Rappos email regarding issue of Municipal Parking Lot No. 62; receipt and review of J. Berger response to S. Rappos with commentary; receipt and review of S. Mosadeq email on status of sale of property; discuss response with J. Berger.
4/6/2022	Jeff Berger	Review and respond to email from S. Mosadeq; data room administration; respond to emails and calls from prospective purchasers.
4/7/2022	Bryan Tannenbaum	Telephone call from lawyer re has a client who may be interested.
4/7/2022	Jeff Berger	Data room administration; respond to various emails from prospective purchasers re sale process and access to data room; email to Globe and Mail and Hamilton Spectator to request tear sheets for the advertisements run today.
4/8/2022	Bryan Tannenbaum	Emails with J Berger regarding signage; receipt and review of emails with arranging call with the City of Hamilton (the "City") about parking space; receipt and review of J. Berger email regarding further inquiries from Hamilton Spectator; discuss response with J. Berger; review draft report with J. Berger.
4/8/2022	Jeff Berger	Calls from existing purchasers re status of deposits, etc.; update email to secured lender; discuss same with B. Tannenbaum; data room administration; review and respond to email form S. Bron of the Hamilton Spectator; email to S. Rappos re need for continued access to municipal parking lot and request for a call with counsel to the City; email to Coreslab re timing of investigation.
4/11/2022	Anne Baptiste	Post disbursements.
4/11/2022	Bryan Tannenbaum	Telephone call from J. Berger regarding his call with City and S. Rappos regarding rent for adjacent land for staging, etc.; receipt and review of email re prospective purchaser.
4/11/2022	Jeff Berger	Email to R. Gilyana requesting copies of Fusioncorp assignment documents; receipt and review of assignment documents re Fusioncorp settlement; forward same to S. Rappos; data room administration; call with S. Rappos and K. Parameswaran of the City regarding the municipal parking lot lease for the adjacent lot.
4/12/2022	Jeff Berger	Call with D. Kolev of Coreslab re status of hollowcore investigation; receipt and review of email from J. Aubry of Coreslab re pending quotation and timing of same; email to A. Cheung of HUB International Insurance Brokers re extension of liability insurance policy for 3 months.
4/14/2022	Bryan Tannenbaum	Receipt and review of S. Rappos email referring to and attaching a statement of claim against Areacor; response re service to the principal; telephone call with J. Berger regarding further inquiry by Hamilton Spectator reporter; receipt

May 13, 2022
 Invoice 3
 Page 3

Date	Professional	Description
		and review of J. Berger email attaching the Coreslab quotation; approve same, execute and return contract.
4/15/2022	Bryan Tannenbaum	Telephone call with J. Berger re S. Mosadeq email and responding thereto, Coreslab meeting next week, marketing efforts, etc.
4/19/2022	Daniel Weisz	Discussion with J. Berger re posting to webpage.
4/20/2022	Echa Odeh	Make amendments to invoice; obtain quotes for a sale sign on property; email with purchaser re status of sale process; search for alternate email addresses for bounce back emails re sales process.
4/20/2022	Jeff Berger	Calls and emails with prospective purchasers; data room administration; review of quotes for signage on property and approve same; travel to and from Hamilton property; meet with representatives of Coreslab to provide them access to the Property for investigation of the hollowcore; call with G. Abbiento of Pronto General Contractors ("Pronto") re same.
4/21/2022	Anne Baptiste	Post disbursement.
4/21/2022	Daniel Weisz	Process electronic payments.
4/21/2022	Donna Nishimura	Prepare cheque requisition and process paperwork for payment.
4/21/2022	Echa Odeh	Search for alternate email addresses re bounce back emails for sales process; provide CAs to prospective purchasers and provide access to the data room; follow up phone call to potential purchasers who have not yet accessed the data room.; phone calls with Alectra and Electrical Safety Authority ("ESA") regarding power being turned off; update purchasers address and response email confirming receipt of updated address; organizing for sale sign to be erected at the property.
4/22/2022	Daniel Weisz	Process electronic payments.
4/22/2022	Anne Baptiste	Post disbursement.
4/22/2022	Echa Odeh	Phone call with ESA; file noted phone call; redact APS documents for data room; email to Schindler regarding prepayment; email CA to potential purchasers; provide access to the data room.
4/22/2022	Jeff Berger	Arrange for sale sign to be posted on site in Hamilton; attend to electrical disconnection issue on site; arrange for Pronto to attend on site with an electrical contractor and meet with V. Becker of the ESA to review potentially unsafe conditions; various calls with G. Abbiento re same; arrange for Alectra to attend on site and restore power once ESA approved; correspond with Live Patrol re loss of power for security cameras; calls from prospective purchasers; attend to various administrative matters.
4/24/2022	Jeff Berger	Review and respond to email from S. Mosadeq.
4/25/2022	Anne Baptiste	Post disbursements.
4/25/2022	Echa Odeh	Provide access to data room and provide copy of CA to prospective purchasers; calculate HST return for March 2022 and email for approval; update prospective purchasers tracking list.
4/25/2022	Bryan Tannenbaum	Receipt and review of J. Berger response to S. Mosadeq, debtor's counsel; receipt and review of E. Odeh email to J. Berger regarding inquiry from prospective purchaser; status call with J. Berger re meeting last week with Coreslab, Terraprobe report was to be done last week, get all reports to the

May 13, 2022
 Invoice 3
 Page 4

Date	Professional	Description
		engineer, ESA electric issue regarding exposed wires and termination of service and need for Pronto attendance, City work order still requires the engineering report, second email blast to be sent later this week, second ad, sale signage, number of executed CA's, parking lot proposal from the City, status report to secured lender; receipt and review of City email regarding Receiver's use of parking lot; discussion re same with J. Berger.
4/25/2022	Jeff Berger	Review email from K. Parameswaran and email to S. Rappos re Receiver's proposed occupancy of the Hamilton municipal parking lot space; review correspondence regarding the deposit funds paid by Areacor to the City and discuss same with B. Tannenbaum; review and respond to emails from prospective purchasers; draft update to secured lender; review data room activity and discuss same with E. Odeh; follow-up with Terraprobe re timing of steel inspection report; attend to various administrative matters.
4/26/2022	Echa Odeh	Phone call and email with Live Patrol regarding security cameras; email CAs to prospective purchasers; provide access to the data room; email with NRU regarding payment; file HST return for March 2022.
4/26/2022	Bryan Tannenbaum	Receipt and review of various emails between J. Berger and S. Rappos regarding Demand Electric deposit status; discuss draft status report to secured lender.
4/26/2022	Jeff Berger	Draft update to secured lender and discuss same with B. Tannenbaum; prepare interim statement of receipts and disbursements; email to S. Rappos re information requested from Demand Electric and need to contact their counsel; email and call to R. Wilson of Schindler re status of deposit paid by Areacor for elevator equipment and manufacturing; review and respond to various emails from prospective purchasers; call with M. Swift of Centric Engineering re timing of steel and hollowcore investigation reports and next steps for the Engineer's review of same.
4/27/2022	Daniel Weisz	Process electronic payment.
4/27/2022	Anne Baptiste	Post disbursement.
4/27/2022	Echa Odeh	Phone call with Star Metroland Media regarding payment of invoices; prepare cheque requisition for payment.
4/27/2022	Jeff Berger	Receipt and review of Terraprobe steel inspection report; forward report to Centric Engineering and Lintack Architects Inc.; calls with purchasers of units re status of deposits and the Receiver's sale process; call from Northstar Access re outstanding invoices for shoring equipment.
4/28/2022	Jeff Berger	Call with prospective purchaser and E. Odeh to address the prospective purchaser's questions regarding the property and the sale process.
4/29/2022	Echa Odeh	Email to Hamilton Spectator regarding payment; provide access to data room.
4/29/2022	Daniel Weisz	Process electronic payment.
4/29/2022	Anne Baptiste	Post disbursement.
4/29/2022	Jeff Berger	Receipt and review of hollowcore investigation report and findings; forward hollowcore investigation report to Centric Engineering; email to secured lender with Terraprobe and Coreslab reports; discuss report findings with B. Tannenbaum; attend to various administrative matters.

May 13, 2022
 Invoice 3
 Page 5

Date	Professional	Description
		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
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	10.10	\$ 625	\$ 6,312.50
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.90	\$ 595	535.50
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Vice President	51.00	\$ 425	21,675.00
Echa Odeh	Senior Associate	14.40	\$ 250	3,600.00
Anne Baptiste/Donna Nishimura	Estate Administrator	6.00	\$ 110	660.00
Total hours and professional fees		82.40		\$ 32,783.00
HST @ 13%				4,261.79
Total payable				\$ 37,044.79

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt
 RSM Canada Limited



RSM CANADA LIMITED
 Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

T +1 416 480 0160
 F +1 416 480 2646

www.rsmcanada.com

GST/HST: 80784 1440 RT 0001

To RSM Canada Limited
 Court-Appointed Receiver of Areacor Inc.
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date July 13, 2022

Client File 7957635/10001

Invoice 4

No. 6722918

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-Appointed Receiver of Areacor Inc. for the period May 1, 2022 to June 30, 2022.

Date	Professional	Description
5/2/2022	Echa Odeh	Provide access to data room and email Confidentiality Agreement ("CA") to potential purchaser.
5/2/2022	Jeff Berger	Data room administration; calls from prospective purchasers.
5/3/2022	Anne Baptiste	Post receipts.
5/3/2022	Echa Odeh	Prepare cheque requisition for payment re advertising; prepare receipt processing form for receipt from Canada Revenue Agency and go to bank to deposit cheque; phone call with Metergy Solutions Inc. ("Metergy") regarding submetering agreement.
5/3/2022	Jeff Berger	Email to S. Rappos of Chaitons LLP ("Chaitons") re any response from the City of Hamilton (the "City"); email follow-up to City; discuss position on parking lot lease with S. Rappos and B. Tannenbaum; receipt and respond to emails from M. Swift of Centric Engineering re reports to be provided.
5/3/2022	Daniel Weisz	Process electronic payment.
5/3/2022	Bryan Tannenbaum	Receipt and review of J. Berger email with draft response to Centric Engineering; discuss same.
5/4/2022	Anne Baptiste	Post receipts; post disbursements.
5/4/2022	Echa Odeh	Prepare cheque requisition for payment to Sunbelt Rentals; prepare cheque requisition for payment to Pronto General Contractors ("Pronto").
5/4/2022	Daniel Weisz	Process electronic payments.
5/4/2022	Bryan Tannenbaum	Receipt and review of email from M. Swift regarding engineering report and J. Berger response.
5/5/2022	Anne Baptiste	Prepare bank reconciliation; post disbursement.
5/5/2022	Echa Odeh	Prepare cheque requisitions for insurance payments.
5/5/2022	Jeff Berger	Calls from prospective purchasers; attend to various administrative matters.
5/6/2022	Anne Baptiste	Prepare bank reconciliation; post disbursement.

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Date	Professional	Description
5/6/2022	Echa Odeh	Prepare cheque requisition for payment to Alectra; work on draft court report.
5/6/2022	Daniel Weisz	Process electronic payment.
5/6/2022	Bryan Tannenbaum	Telephone call and subsequent email from prospective purchaser; email to J. Berger re same; receipt and review of J. Berger email with request for further information from prospective purchaser.
5/9/2022	Anne Baptiste	Post disbursements.
5/9/2022	Jeff Berger	Review request for information from prospective purchaser and discuss with E. Odeh; call with B. Tannenbaum, E. Odeh and prospective purchaser re purchaser's request for information.
5/10/2022	Echa Odeh	File HST Return for April 2022; email and phone call with prospective purchaser regarding site visit; discussion with J. Berger regarding submetering and response email sent to Metergy regarding submetering.
5/10/2022	Jeff Berger	Email to D. Rowntree of Schindler to follow-up on Receiver's request for information; email to Xerox to arrange pickup of equipment from Cannon St. property; call with prospective purchaser to address questions; arrange site tours with prospective purchasers; review and approve HST return for April, 2022; email to prospective purchaser re distribution of confidential information to consultants.
5/11/2022	Echa Odeh	Prepare draft ad for Insolvency Insider.
5/11/2022	Bryan Tannenbaum	Review mailing list and send out personal emails to various targeted prospective purchasers; telephone call with Jim A. from Westmount and J. Berger re status.
5/12/2022	Echa Odeh	Email CA to prospective purchaser.
5/12/2022	Jeff Berger	Call with B. Tannenbaum and prospective purchaser; email and call to M. Swift or Centric Engineering re status of investigation and report; emails to Schindler and S. Rappos re deposits paid by Areacor; call with B. Tannenbaum re same; attend to various administrative matters.
5/12/2022	Bryan Tannenbaum	Email from prospective purchaser to set up a Zoom call; telephone call from J. Berger re engineer report changing/delays, etc.; receipt and review of J. Berger email to S. Rappos attaching the email and attachments from Schindler Elevator lawyers; receipt and review of S. Rappos responding email; Zoom call with prospective purchasers; receipt and review of J. Berger email to S. Rappos reporting on correspondence with Schindler's lawyer.
5/13/2022	Donna Nishimura	Prepare cheque requisition and process paperwork for payment.
5/13/2022	Echa Odeh	Emails with prospective purchasers; provide copies of CA; provide access to the data room; update tracking spreadsheet; update draft Insolvency Insider ad and email to Insolvency Insider; prepare cheque requisition for payment to Chaitons; review data room documents for mechanical drawings and phone call with prospective purchaser regarding same.
5/13/2022	Jeff Berger	Draft update to secured lender and discuss same with B. Tannenbaum; arrange site visits for prospective purchasers; email to M. Swift re timing of investigations and report; calls with various prospective purchasers.
5/13/2022	Bryan Tannenbaum	Receipt and review of J. Berger email with draft status report; edit and return comments.

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Date	Professional	Description
5/16/2022	Echa Odeh	Provide access to the data room; email and phone call with prospective purchasers regarding data room and CAs.
5/17/2022	Echa Odeh	Provide access to the data room; email and phone call with prospective purchasers regarding data room and CAs.
5/17/2022	Jeff Berger	Attend on site at Hamilton property to meet with prospective purchasers and provide site tour; meet with Xerox on site to facilitate pick-up of photocopier leased by the Debtor; travel to and from Hamilton.
5/17/2022	Bryan Tannenbaum	Receipt and review of M. Kansun emails re prospective purchaser; attend at the site in Hamilton to meet representatives from prospective purchasers, return of Xerox copier, etc.
5/18/2022	Anne Baptiste	Post disbursements.
5/18/2022	Echa Odeh	Prepare cheque requisitions for payments; respond to prospective purchaser email enquiry.
5/18/2022	Jeff Berger	Review and respond to email from S. Rappos re contact with Xerox and Skyway Canada; email to S. Rappos re status of sale process; call with B. Tannenbaum, R. Lintack, A. Robinson, M. Glynn of Glynn Group, P. Doucet, and M. Swift re status of engineering & cost reports, and timeline for deliverables; attend to various administrative matters.
5/18/2022	Daniel Weisz	Process electronic payments.
5/18/2022	Bryan Tannenbaum	Webex call with Centric Engineering (M. Swift/A. Robinson/R. Lintack), Glynn Group (M. Glynn/P. Doucet) and J. Berger re status of engagement letter and timing of work, etc.; subsequent call with J. Berger; receipt and review of S. Rappos email to G. Phoenix re priority issue of second mortgage to the City on April 30, 2019, in connection with a deferral of development charges and now added to the tax role after the receivership.
5/19/2022	Anne Baptiste	Post disbursements.
5/19/2022	Jeff Berger	Revise update to secured lender and discuss same with B. Tannenbaum; prepare interim statement of receipts and disbursements; calls from prospective purchasers; receipt and review of revised engagement letter from Centric Engineering and discuss same with D. Weisz and B. Tannenbaum; call with B. Tannenbaum and M. Glynn re timeline and process to complete cost consultant report; receipt and review of letter from counsel to condo unit purchasers and forward same to S. Rappos for review and response; email to prospective purchaser to arrange site tour; attend to various administrative matters.
5/19/2022	Daniel Weisz	Review proposed agreement with Centric Engineering and email to J. Berger re same.
5/19/2022	Bryan Tannenbaum	Receipt and review of J. Berger email with draft status report to secured creditor; comments provided to J. Berger re same; telephone call with M. Glynn and J. Berger to debrief on our call with the engineers/architect; discussion with J. Berger to finalize the draft report and discuss the engineer timing.
5/20/2022	Bryan Tannenbaum	Arrange call with MarshallZehr Group ("MZ") for next week; discussion with J. Berger regarding Centric Engineering contract, etc.

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Date	Professional	Description
5/24/2022	Jeff Berger	Attend on site to provide tour to prospective purchaser; travel to and from Hamilton.
5/24/2022	Daniel Weisz	Email to J. Berger re proposed engineering engagement.
5/25/2022	Echa Odeh	Attend client site with prospective purchaser; answer prospective purchaser queries; respond to emails from prospective purchasers.
5/25/2022	Jeff Berger	Call with L. Evans, S. Atkinson, C. Hayes of MZ and B. Tannenbaum re status of engineering and cost reports, timing of bid deadline and possibility of extension, etc.; draft email to prospective purchasers re status of reports and confirm bid deadline; various calls with E. Odeh re questions from prospective purchasers touring site; review emails from City counsel re parking lot lease terms and deposit funds paid by Debtor; prepare schedule of estimated cash flow and discuss same with B. Tannenbaum.
5/25/2022	Bryan Tannenbaum	Zoom call with MZ (L. Evans/S. Atkinson/C. Hayes) and J. Berger re status of offers and delay of engineering reports; subsequent discussions with J. Berger.
5/26/2022	Echa Odeh	Prepare cheque requisition for payment to DataSite; respond to emails from prospective purchasers.
5/26/2022	Bryan Tannenbaum	Review of prospective purchaser's email re not bidding as too small; receipt and review of prospective purchaser's email that they will submit a bid; receipt and review of email from other prospective purchaser re status of bid; discussions with J. Berger re amount owed to secured creditors, etc.; receipt and review of MZ statement of outstanding amount.
5/27/2022	Echa Odeh	Prepare summary of offers.
5/27/2022	Jeff Berger	Receipt and review of offers; call with C. Hayes, L. Evans, S. Atkinson, J. Thiessen and B. Tannenbaum re offers received and comments re same; review offer summary from E. Odeh; review and respond to email from S. Mosadeq, debtor's solicitor, re status of bids; calls with prospective purchasers.
5/27/2022	Bryan Tannenbaum	Review of offers received; Zoom call with MZ (C. Hayes/J. Thiessen/L. Evans/S. Atkinson) and J. Berger to review offers, etc.; telephone call with S. Rappos to report on offers received and next steps; receipt and review of S. Mosadeq email as to status.
5/30/2022	Bryan Tannenbaum	Receipt and review of E. Odeh email attaching inquiry from a unit purchaser regarding return of deposit.
5/31/2022	Anne Baptiste	Post disbursement.
5/31/2022	Echa Odeh	Obtain payment information from Terraprobe; prepare cheque requisitions for payment to Terraprobe and payment of utilities.
5/31/2022	Jeff Berger	Review and approve various vendor charges; email to Livepatrol re outstanding security monitoring charges; discuss same with E. Odeh; calls from unit purchasers regarding status of the Receiver's sale process and timeline for return of deposits, if applicable.
5/31/2022	Daniel Weisz	Process electronic payment.

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Date	Professional	Description
6/1/2022	Jeff Berger	Call with B. Tannenbaum and H. Chaiton of Chaitons to discuss various liens and the review of same; review and respond to email from S. Mosadeq re status of offers.
6/1/2022	Bryan Tannenbaum	Receipt and review of S. Mosadeq email on status of acceptance of offers; discuss response with J. Berger.
6/2/2022	Echa Odeh	Complete Areacor draft report and email to J. Berger for review.
6/2/2022	Jeff Berger	Review and respond to purchaser inquiries re status of sale process and refund of deposits.
6/2/2022	Bryan Tannenbaum	Email from S. Atkinson to arrange a call to discuss bid; receipt and review of G. Phoenix email commenting on S. Mosadeq email; response sent; receipt and review of G. Phoenix response.
6/3/2022	Echa Odeh	Draft email to unsecured creditor and send to J. Berger for review.
6/3/2022	Jeff Berger	Call with MZ and Chaitons to discuss the credit bid to be submitted; discussion with B. Tannenbaum re same.
6/3/2022	Bryan Tannenbaum	Zoom call with MZ (C. Hayes/S. Atkinson/L. Evans/J. Thiesson/R. Leong), Westmount (B. Argue/Jim A), Chaitons (S. Rappos) and J. Berger re credit bid procedures.
6/6/2022	Echa Odeh	Follow up with J. Berger regarding emails received from prospective purchasers; response email sent to unsecured creditor regarding their query.
6/6/2022	Jeff Berger	Receipt and review of Centric Engineering 'Phase 1' report; discuss same with B. Tannenbaum; notify offerors of results of sale process via email; email to M. Glynn re certified costs for Fusioncorp; call with Wilscott re rental trailer arrears and pick-up of trailer from site; attend to various administrative matters.
6/6/2022	Bryan Tannenbaum	Receipt and review of Chaitons email regarding return of trailer; email to J. Berger re contents and plans, etc.; receipt and review of E. Odeh email regarding emails she is receiving from unit purchasers and status of their deposits.
6/7/2022	Echa Odeh	File HST return for May 2022.
6/7/2022	Jeff Berger	Review and approve HST returns; review and respond to email from S. Bron of the Hamilton Spectator; review progress billings and discuss same with S. Rappos as they relate to the liens filed.
6/8/2022	Echa Odeh	Prepare cheque requisition for payment to Alectra; phone call with creditor's counsel and email to J. Berger regarding service list.
6/8/2022	Daniel Weisz	Process electronic payment.
6/9/2022	Anne Baptiste	Post disbursement.
6/9/2022	Jeff Berger	Review security breach email from Live Patrol; contact G. Abbiento of Pronto to arrange for repair of fence due to security breach; review and respond to email from K. Parameswaran re parking lot rental.
6/10/2022	Anne Baptiste	Post disbursements.
6/10/2022	Echa Odeh	Email to counsel to request updated service list and update corporate engagement website; phone call with Sunbelt regarding outstanding debt.
6/10/2022	Jeff Berger	Review and respond to emails from purchasers re status of sale process and deposit refunds; review and respond to email from R. Gilyana.

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Date	Professional	Description
6/10/2022	Daniel Weisz	Process electronic payment.
6/12/2022	Anne Baptiste	Prepare bank reconciliation.
6/13/2022	Echa Odeh	Research prior precedent for termination of pre-sale agreement of purchase and sale; provide examples/findings to J. Berger.
6/13/2022	Jeff Berger	Review and edit draft First Report to Court; email to S. Atkinson and L. Evans re status of credit bid from MZ; call with S. Rappos re status of parking lot lease, equipment deposits, and termination of purchase agreements.
6/14/2022	Echa Odeh	Email to J. Berger regarding outstanding cheque requisition for Terraprobe.
6/14/2022	Jeff Berger	Review and edit draft First Report to Court; call with S. Rappos and A. Slavens re status of sale process, potential termination of purchase agreements, and Tarion claims process.
6/15/2022	Echa Odeh	Prepare redacted deposit ledger; email to Live Patrol to obtain payment information; prepare cheque requisition for payment to Live Patrol.
6/15/2022	Jeff Berger	Review cash/funding requirements and discuss same with B. Tannenbaum; review email from L. Evans and respond to same; respond to emails from purchasers re status of sale process, etc.; review email from E. Odeh re redacted deposit ledger for Court report and edit same.
6/16/2022	Jeff Berger	Prepare estimate of funding required to complete the receivership administration and discuss same with E. Odeh and B. Tannenbaum.
6/16/2022	Bryan Tannenbaum	Discussions with J. Berger to review cash flow and estimates of funding required, etc., to be provided to MZ.
6/17/2022	Jeff Berger	Review and respond to email from L. Evans; discuss same with B. Tannenbaum; review and respond to emails from S. Rappos re liens and the Receiver's correspondence with lien claimants; review and respond to email from R. Gilyana re notice from ESA.
6/17/2022	Bryan Tannenbaum	Review R&D, estimated cash requirements and draft email of J. Berger to MZ and approve same; receipt and review of J. Berger email to MZ; receipt and review of L. Evans email regarding property taxes and development charges ("DC's"), site visit, fees and closing within 30 days, etc.; review J. Berger response; receipt and review of J. Berger email to S. Rappos to inquire about assumption of DC agreement by purchaser with the City, etc.
6/21/2022	Echa Odeh	Emails with B. Tannenbaum regarding data room closure.
6/21/2022	Bryan Tannenbaum	Receipt and review of Mr. Thawar email re prospective purchaser.
6/23/2022	Bryan Tannenbaum	Receipt and review of L. Evans email following up regarding information whether the DC contract with Areacor and the City can be assumed by the purchaser; email to S. Rappos re same.
6/24/2022	Jeff Berger	Review and respond to email from S. Mosadeq.
6/24/2022	Bryan Tannenbaum	Review of S. Mosadeq email and discuss response with J. Berger; receipt and review of J. Berger email to S. Mosadeq.
6/27/2022	Jeff Berger	Email and call to L. Evans re status of credit bid and other matters; review and respond to emails from S. Rappos re parking lot lease and response to City.
6/30/2022	Echa Odeh	Prepare cheque requisitions for payment of expenses.
6/30/2022	Daniel Weisz	Process electronic payment

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Date	Professional	Description
6/30/2022	Bryan Tannenbaum	Receipt and review of S. Rappos email regarding Fusioncorp's counsel would like to speak with us regarding the marketing process, etc.; response sent.
		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
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	16.10	\$ 625	\$ 10,062.50
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	2.30	\$ 595	1,368.50
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Vice President	67.10	\$ 425	28,517.50
Echa Odeh	Senior Associate	18.10	\$ 250	4,525.00
Anne Baptiste/Donna Nishimura	Estate Administrator	3.60	\$ 110	396.00
Total hours and professional fees		107.20		\$ 44,869.50
Disbursements				
Travel			\$ 74.71	74.71
Total disbursements				74.71
Total professional fees and disbursements				\$ 44,944.21
HST @ 13%				5,842.75
Total payable				\$ 50,786.96

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.



GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
 Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

T +1 416 480 0160
 F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
 Court-Appointed Receiver of Areacor Inc.
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date August 11, 2022

Client File 7957635/10001

Invoice 5

No. 6744790

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-Appointed Receiver of Areacor Inc. for the period July 1, 2022 to July 31, 2022.

Date	Professional	Description
7/4/2022	Anne Baptiste	Post disbursement.
7/5/2022	Echa Odeh	Phone call with unit purchaser regarding update on sale process and deposit refunds; email to J. Berger to call purchaser; email to Centric Engineering to obtain payment information and prepare cheque requisition.
7/5/2022	Jeff Berger	Review of letter from S. Mosadeq, debtor's solicitor; call with S. Rappos and H. Chaiton of Chaitons LLP ("Chaitons"), G. Phoenix of Loopstra Nixon LLP and B. Tannenbaum to discuss status of offer and response to S. Mosadeq letter of July 4, 2022; email to insurance broker to request extension of policy.
7/5/2022	Bryan Tannenbaum	Receipt and review of S. Rappos email to B. Bowles of Glaholt Bowles LLP ("Glaholt") acting for Fusioncorp; receipt and review of letter from S. Mosadeq regarding debtor's request for information on sale; discuss same with J. Berger; conference call with G. Phoenix, S. Rappos, H. Chaiton and J. Berger re S. Mosadeq letter and response thereto.
7/6/2022	Echa Odeh	Draft updated notice to purchasers.
7/6/2022	Jeff Berger	Review and respond to email from S. Mosadeq; discuss same with B. Tannenbaum and G. Phoenix; call with L. Evans of MarshallZehr Group ("MZ") and email to L. Evans with form of Agreement of Purchase and Sale ("APS").
7/6/2022	Bryan Tannenbaum	Review and edit of J. Berger email to S. Mosadeq; receipt and review of final of same.
7/7/2022	Echa Odeh	Review of first report comments and tracked changes; update report and respond to any comments in report; email report to B. Tannenbaum and J. Berger for review.
7/7/2022	Bryan Tannenbaum	Receipt and review of S. Rappos email to L. Evans reporting on the development charges by City of Hamilton and pending arrangements regarding the staging area rental, etc.
7/8/2022	Echa Odeh	Prepare cheque requisition for payment of water bill.

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Date	Professional	Description
7/9/2022	Daniel Weisz	Process electronic payment.
7/11/2022	Anne Baptiste	Post disbursement.
7/11/2022	Echa Odeh	Phone call with First Ontario regarding accounts and shares; prepare mail merged notice to purchasers; email notice to purchasers.
7/11/2022	Jeff Berger	Review and edit draft update to unit purchasers and discuss same with B. Tannenbaum; coordinate signing and sending letters with E. Odeh; call with B. Tannenbaum to discuss the draft First Report of the Receiver, and the status of the pending offer and other matters; arrange for 2-month extension of insurance policy.
7/11/2022	Bryan Tannenbaum	Receipt and review of J. Berger email with comments from S. Rappos email providing update on City of Hamilton discussion on assignment of development charges and MZ updated indebtedness numbers; email to J. Berger re same; telephone call from P. Singh re prospective purchaser; receipt and review of S. Rappos email re B. Bowles representing Fusioncorp calling to discuss marketing/offer process; to record telephone attendance with B. Bowles representing Fusioncorp to review marketing process and confirm no satisfactory offers, etc.; receipt and review of B. Bowles email to S. Rappos re conversation with B. Tannenbaum re process and construction defects, etc.; receipt and review of S. Rappos email to B. Bowles to request G. Phoenix response to his request for engineers report; receipt and review of J. Berger draft email to purchasers regarding deposit status; review and edit draft first report to Court.
7/12/2022	Echa Odeh	Update contact information for unit purchaser and send response email.
7/12/2022	Bryan Tannenbaum	Receipt and review of S. Rappos email regarding B. Bowles request to receive the engineering report; discuss with J. Berger; response sent to S. Rappos; receipt and review of S. Rappos email confirming we will obtain a Non-Disclosure Agreement ("NDA") from B. Bowles; receipt and review and reply to P. Bresner email re prospective purchaser.
7/13/2022	Anne Baptiste	Post disbursement.
7/13/2022	Echa Odeh	File HST return; prepare cheque requisition for payment of insurance premium.
7/13/2022	Jeff Berger	Receipt and review of email from S. Mosadeq; discuss with G. Phoenix and B. Tannenbaum; review and approve June, 2022 HST return; review and respond to email from unit purchaser re return of deposit and timeline for same.
7/13/2022	Daniel Weisz	Process electronic payment.
7/13/2022	Bryan Tannenbaum	Receipt and review of S. Mosadeq email; receipt and review of G. Phoenix email; discuss with J. Berger.
7/14/2022	Anne Baptiste	Prepare bank reconciliation; post disbursement.
7/14/2022	Jeff Berger	Calls from unit purchasers re status of deposits and timing of deposit releases; review CEC engineering report and send to S. Rappos to provide to lien claimants, subject to execution of a NDA; attend to various administrative matters.
7/14/2022	Bryan Tannenbaum	Receipt and review of J. Berger response to S. Rappos providing NDA precedent; receipt and review of J. Berger email to S. Rappos providing

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Date	Professional	Description
		engineering report(s); receipt and review of S. Rappos email to discuss with G. Phoenix.
7/18/2022	Jeff Berger	Attend on site to provide tour to M. Rapino and colleagues; email to MZ and Chaitons re meeting with M. Rapino and preventative maintenance to be completed prior to winter, etc.; travel to and from property.
7/18/2022	Bryan Tannenbaum	Receipt and review of Glaholt email to Chaitons re court date; email from J. Berger that he is meeting M. Rapino on site today; telephone discussion with J. Berger after meeting M. Rapino; review draft email to MZ re meeting with M. Rapino; telephone call from prospective purchaser.
7/19/2022	Echa Odeh	Review and respond to email from Metergy Solutions Inc.
7/20/2022	Jeff Berger	Prepare for and attend call with G. Phoenix, B. Tannenbaum, H. Chaiton, S. Rappos, S. Schwartz, C. Hayes and S. Atkinson re status of credit bid, review of lien claims, and timing for application to Court for approval of the sale.
7/20/2022	Bryan Tannenbaum	Webex call with MZ (S. Atkinson/C. Hayes), Chaitons (H. Chaiton/ S. Schwartz/S. Rappos), G. Phoenix and J. Berger regarding status of credit bid, lien claimants potential amounts, etc.; subsequent call with G. Phoenix regarding response to S. Mosadeq; review G. Phoenix draft response; receipt and review of S. Mosadeq reply; comments provided to G. Phoenix.
7/21/2022	Bryan Tannenbaum	Receipt, review and reply to G. Phoenix draft email response to S. Mosadeq; receipt and review of J. Ventrella email to S. Rappos regarding NDA status; receipt, review and response to S. Rappos email regarding release of reports to Fusioncorp; receipt and review of S. Rappos email to Fusioncorp lawyers; receipt and review of S. Rappos emails regarding cross examination to O'Neil Electric and Demand Electric.
7/22/2022	Bryan Tannenbaum	Receipt and review of J. Frustaglio of Sutherland Law email to S. Rappos; receipt and review of S. Rappos response.
7/25/2022	Echa Odeh	Prepare cheque requisition for payment of expenses; prepare deposit slip and receipt processing form for HST refund.
7/25/2022	Daniel Weisz	Process electronic payment.
7/25/2022	Bryan Tannenbaum	Various emails from lawyers regarding setting up court dates with lien claimants, etc.
7/27/2022	Anne Baptiste	Post receipt.
7/27/2022	Bryan Tannenbaum	Email from G. Phoenix regarding court date; email from S. Rappos regarding status of credit bid, etc.
		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.

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FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	9.00	\$ 625	\$ 5,625.00
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.30	\$ 595	178.50
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Vice President	15.50	\$ 425	6,587.50
Echa Odeh	Senior Associate	5.80	\$ 250	1,450.00
Anne Baptiste	Estate Administrator	0.70	\$ 110	77.00
Total hours and professional fees		31.30		\$ 13,918.00
Disbursements				
Courier			\$ 21.81	
Total disbursements				21.81
Total professional fees and disbursements				\$ 13,939.81
HST @ 13%				1,812.18
Total payable				\$ 15,751.99

VISA/MASTERCARD

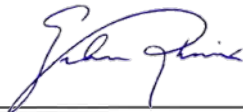
Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
 RSM Canada Limited

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF BRYAN A. TANNENBAUM SWORN
BEFORE ME THIS 7th DAY OF SEPTEMBER, 2022**

A handwritten signature in blue ink, appearing to read "John Jones", written over a horizontal line.

A Commissioner, Etc.

**In the Matter of the Receivership of
Areacor Inc.
Summary of Receiver's Fees
For the Passing of Accounts Period**

Invoice #	Invoice Date	Period	Hours	Fees	Disburse - ments	Subtotal	HST	Total	Average Hourly Rate
1	24-Mar-22	January 7, 2022 to February 28, 2022	93.8	\$ 38,344.00	\$ 130.42	\$ 38,474.42	\$ 5,001.67	\$ 43,476.09	\$ 408.78
2	21-Apr-22	March 1, 2022 to March 31, 2022	66.3	\$ 27,601.00	\$ -	\$ 27,601.00	\$ 3,588.13	\$ 31,189.13	\$ 416.30
3	13-May-22	April 1, 2022 to April 30, 2022	82.4	\$ 32,783.00	\$ -	\$ 32,783.00	\$ 4,261.79	\$ 37,044.79	\$ 397.85
4	13-Jul-22	May 1, 2022 to June 30, 2022	107.2	\$ 44,869.50	\$ 74.71	\$ 44,944.21	\$ 5,842.75	\$ 50,786.96	\$ 418.56
5	11-Aug-22	July 1, 2022 to July 31, 2022	31.3	\$ 13,918.00	\$ 21.81	\$ 13,939.81	\$ 1,812.18	\$ 15,751.99	\$ 444.66
		Total fees to July 31, 2022	381.0	\$ 157,515.50	\$ 226.94	\$ 157,742.44	\$ 20,506.52	\$ 178,248.96	\$ 413.43
		Estimated fees to completion		\$ 50,000.00	\$ -	\$ 50,000.00	\$ 6,500.00	\$ 56,500.00	
Total				\$ 207,515.50	\$ 226.94	\$ 207,742.44	\$ 27,006.52	\$ 234,748.96	

TAB U

Court File No. CV-22-00674747-00CL

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

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

AREACOR INC.

Respondent

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

AFFIDAVIT OF SAM RAPPOS
(sworn September 8, 2022)

I, SAM RAPPOS, of the City of Markham, in the Province of Ontario **MAKE OATH
AND SAY AS FOLLOWS:**

1. I am a partner with the law firm of Chaitons LLP (“**Chaitons**”), lawyers for RSM Canada Limited in its capacity as Court-appointed receiver in this proceeding (the “**Receiver**”), and as such have knowledge of the matters to which I hereinafter depose.

2. Attached hereto as the following exhibits are copies of the following accounts issued by Chaitons to the Receiver for the period commencing January 13, 2022 and ending August 31, 2022, totalling \$38,070.30 (comprised of fees of \$32,922.50, disbursements of \$844.22 and HST of \$4,303.58) with respect to this proceeding:

(a) **Exhibit “A”** – account for the period up to and including March 31, 2022;

- (b) **Exhibit “B”** – account for the period up to and including April 30, 2022;
- (c) **Exhibit “C”** – account for the period up to and including May 31, 2022;
- (d) **Exhibit “D”** - account for the period up to and including July 31, 2022; and
- (e) **Exhibit “E”** - account for the period up to and including August 31, 2022.

3. Attached hereto as **Exhibit “F”** is a summary of additional information with respect to the accounts referred to in paragraph 2 above, indicating all members of Chaitons who have worked on this matter, their year of call to the bar, total time charged and hourly rates. I hereby confirm that this list represents an accurate account of such information.

4. I confirm that the accounts described in paragraph 2 above accurately reflect the services provided by Chaitons in this matter and the fees and disbursements claimed by it from January 13, 2022 to August 31, 2022.

SWORN before me at the City)
of Toronto, in the Province of)
Ontario, this 8th day of September, 2022)
_____)
A Commissioner, etc.)





SAM RAPPOS

**THIS IS EXHIBIT "A" TO
THE AFFIDAVIT OF SAM RAPPOS
SWORN BEFORE ME THIS 8th
DAY OF SEPTEMBER, 2022**

A handwritten signature in black ink, consisting of a stylized 'H' followed by a long horizontal stroke that curves slightly upwards at the end.

A Commissioner Etc.



INVOICE NUMBER: 284808

April 20, 2022

RSM CANADA LIMITED
11 KING STREET WEST, SUITE 700
TORONTO, ON M5H 4C7

Re: AREACOR INC.
Our file: 006998-69160

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including March 31, 2022:

PROFESSIONAL FEES

SUBJECT TO HST	\$22,887.50	
SUB-TOTAL		\$22,887.50

DISBURSEMENTS

NON TAXABLE	\$646.22	
SUBJECT TO HST	\$147.65	
SUB-TOTAL		\$793.87
HST at 13.00%		\$2,994.57

GRAND TOTAL

\$26,675.94

Amount payable on the current invoice	\$26,675.94
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$26,675.94</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 284808

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

PROFESSIONAL FEES:

- Jan 21, 22 Reviewed and responded to letter from counsel to a construction lien claimant; reviewed documents and took steps to have receivership order registered on title to real property;
- Jan 21, 22 To e-mail correspondence with S. Rappos and C. Wilson re registration of Receivership Order; to signing for completeness the Application to Register Court Order for purposes of registration;
- Jan 25, 22 Discussed sale process and template agreement with A. Krancevic; discussed receivership matters with Brendan Bowles, lawyer for Fusioncorp.;
- Jan 25, 22 To discussion with S. Rappos in respect of the Receiver's appointment and proposed sale transaction;
- Feb 2, 22 Reviewed and drafted e-mails regarding sale process;
- Feb 2, 22 To commence preparation of agreement of purchase and sale;
- Feb 3, 22 Discussed matters with Jeff Berger; reviewed and drafted e-mails regarding documents provided by Mr. Berger;
- Feb 7, 22 Reviewed and responded to letter from City of Hamilton;
- Feb 8, 22 Reviewed and drafted e-mails regarding City of Hamilton matters;
- Feb 10, 22 To preparation of agreement of purchase and sale;
- Feb 11, 22 Discussed matters with counsel to City of Hamilton;
- Feb 11, 22 To further preparation of agreement of purchase and sale; to revisions thereto; to e-mail communication to S. Rappos and H. Chaiton enclosing same;
- Feb 11, 22 To: Reviewing Purchase Agreement for sale process and making revisions/notes for further review.
- Feb 18, 22 Discussed matters with Jeff Berger; reviewed documents provided by City of Hamilton;

- Feb 23, 22 Reviewed e-mails regarding sale process;
- Feb 24, 22 Reviewed e-mails regarding sale process;
- Feb 24, 22 To review of draft notes in connection with CIM and teaser;
- Feb 25, 22 Reviewed and responded to e-mails from counsel to Aviva;
- Mar 4, 22 Discussed matters with client; reviewed and drafted e-mails regarding sale process and other matters;
- Mar 11, 22 Reviewed and comments on draft documents for sale process; reviewed and drafted e-mails regarding same;
- Mar 14, 22 Reviewed and drafted e-mails regarding status of matters at property; drafted e-mail regarding development charges and elevation to tax rolls; reviewed and drafted e-mails regarding matters related to Aviva;
- Mar 16, 22 Reviewed and drafted e-mails regarding receivership matters;
- Mar 21, 22 Attend meeting with S. Rappos and RSM; telephone conference call with S. Rappos and A. Krancevic re template APA; various emails;
- Mar 21, 22 Attended call with RSM and H. Chaiton to discuss outstanding matters; attended call with H. Chaiton and A. Krancevic to discuss template APS; reviewed documents related to purchasers and drafted e-mails regarding same; considered receiver sale agreements where pre-existing purchase agreements had been terminated; reviewed construction lien documents and drafted e-mail regarding same;
- Mar 21, 22 To various e-mail communication with H. Chaiton and S. Rappos in respect of the purchase agreement; to discussion with H. Chaiton and S. Rappos in connection therewith; to e-mail communication to J. Wu instructing her to order a building and zoning search; to review of and revisions to draft search authorization;
- Mar 23, 22 Reviewed and drafted e-mails regarding receivership matters;
- Mar 24, 22 Reviewed draft letter to purchasers and discussed same with H. Chaiton; revised draft letter and sent to client; discussed draft letter with Jeff Berger;

- Mar 24, 22 To revisions to purchase agreement in accordance with H. Chaiton's instructions;
- Mar 25, 22 Review draft letter to purchasers; telephone call with S. Rappos to provide my comments;
- Mar 25, 22 Discussed matters with Adam Slavens; reviewed Fusioncorp documents and drafted e-mail regarding same; reviewed and drafted e-mails regarding matters related to the City and construction liens; reviewed Harris, Sheaffer spreadsheet regarding deposits and reviewed and drafted e-mails regarding same;
- Mar 27, 22 Review draft APS; telephone call with S. Rappos to discuss;
- Mar 27, 22 Reviewed revised draft template APS and discussed same with H. Chaiton;
- Mar 28, 22 Revised template APS; reviewed and drafted e-mails regarding receivership matters;
- Mar 29, 22 Review template APS; telephone calls with S. Rappos; emails with A. Krancevic/R. Miller;
- Mar 29, 22 To call with A. Krancevic re outstanding issues in draft purchase agreement and follow up e-mails from and to H. Chaiton in connection therewith;
- Mar 29, 22 Discussed draft template APS with H. Chaiton and revised same; reviewed and drafted e-mails regarding same; reviewed and drafted e-mails regarding Tarion matters;
- Mar 29, 22 To review of revised agreement of purchase and sale; to discussion with R. Miller in connection therewith;
- Mar 30, 22 Discussed comments on draft template APS with A. Krancevic; revised draft template APS;

Mar 30, 22 To further review of revised purchase agreement; to e-mail communication to S. Rappos enclosing comments;

Mar 31, 22 Discussed matters with Jeff Berger; reviewed and drafted e-mails regarding receivership matters;

To all matters of a general nature not more particularly referred to herein;

TOTAL PROFESSIONAL FEES	\$22,887.50
HST at 13.00%	2,975.38

DISBURSEMENTS:

Subject to HST:

Teraview Charges Taxable	\$71.60	
Teranet Fee Taxable	\$11.05	
Teranet Electronic Registration Fee Taxable	\$65.00	
		\$147.65

Non-Taxable:

Registration/Filing Fee(s) Non-taxable	\$66.30	
General Non-taxable	\$546.82	
Teraview Charges Non-taxable	\$33.10	
		\$646.22

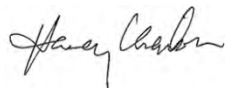
TOTAL DISBURSEMENTS	\$793.87
HST at 13.00%	19.19

Chaitons^{LLP}

GRAND TOTAL

\$26,675.94

CHAITONS LLP



per: _____
Harvey Chaiton

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
HARVEY G. CHAITON	\$825.00	5.00	\$4,125.00
ROBERT MILLER	\$725.00	0.80	\$580.00
SAM RAPPOS	\$600.00	19.70	\$11,820.00
ALEXANDRA KRANCEVIC	\$400.00	14.60	\$5,840.00
LEE STARR	\$200.00	2.20	\$440.00
ANDREW DIMARCO	\$275.00	0.30	\$82.50
Total:		42.60	\$22,887.50

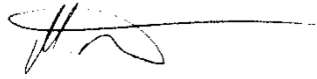
HST No R124110933

INVOICE NUMBER: 284808

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

DOC#10199451v2

**THIS IS EXHIBIT "B" TO
THE AFFIDAVIT OF SAM RAPPOS
SWORN BEFORE ME THIS 8th
DAY OF SEPTEMBER, 2022**

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

A Commissioner Etc.



INVOICE NUMBER: 285023

April 30, 2022

RSM CANADA LIMITED
11 KING STREET WEST, SUITE 700
TORONTO, ON M5H 4C7

Re: AREACOR INC.
Our file: 006998-69160

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including April 30, 2022:

PROFESSIONAL FEES

SUBJECT TO HST	\$3,072.50	
SUB-TOTAL		\$3,072.50
HST at 13.00%		\$399.43

GRAND TOTAL

\$3,471.93

Amount payable on the current invoice	\$3,471.93
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$3,471.93</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 285023

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

PROFESSIONAL FEES:

- Apr 1, 22 Updated service list; reviewed and drafted e-mails regarding receivership matters;
- Apr 4, 22 Reviewed and drafted e-mails regarding receivership matters;
- Apr 6, 22 Reviewed documents and drafted e-mails regarding matters related to the City and to construction liens;
- Apr 8, 22 Reviewed and drafted e-mails regarding City matters;
- Apr 10, 22 Review settlement agreement between Fusioncorp and Areacor; emails with S. Rappos;
- Apr 11, 22 Telephone call with S. Rappos;
- Apr 11, 22 Attended call with Jeff Berger and counsel to the City to discuss matters;
- Apr 12, 22 Reviewed and drafted e-mails regarding breach of trust claim against Areacor;
- Apr 21, 22 Reviewed and drafted e-mails regarding breach of trust claim commenced against Areacor and acceptance of service of claim by counsel to Areacor;
- Apr 25, 22 Reviewed and drafted e-mails regarding receivership matters;
- Apr 26, 22 Reviewed and drafted e-mails regarding receivership matters;
- Apr 27, 22 Discussed matters with Jeff Berger; reviewed and drafted e-mails regarding receivership matters;

Chaitons^{LLP}

3.

Apr 27, 22 To review of and response to S. Rappos in respect of proposed purchaser questions;

Apr 28, 22 Reviewed and drafted e-mails regarding Demand Electric;
To all matters of a general nature not more particularly referred to herein;

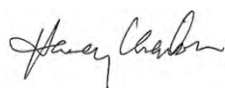
TOTAL PROFESSIONAL FEES

\$3,072.50

HST at 13.00%

399.43

GRAND TOTAL

\$3,471.93
CHAITONS LLP


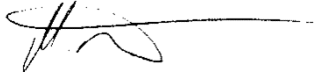
per:

 Harvey Chaiton

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
HARVEY G. CHAITON	\$825.00	0.50	\$412.50
SAM RAPPOS	\$600.00	4.30	\$2,580.00
ALEXANDRA KRANCEVIC	\$400.00	0.20	\$80.00
Total:		5.00	\$3,072.50

**THIS IS EXHIBIT "C" TO
THE AFFIDAVIT OF SAM RAPPOS
SWORN BEFORE ME THIS 8th
DAY OF SEPTEMBER, 2022**

A handwritten signature in black ink, appearing to be the name of the Commissioner, written in a cursive style.

A Commissioner Etc.



INVOICE NUMBER: 285430

May 31, 2022

RSM CANADA LIMITED
11 KING STREET WEST, SUITE 700
TORONTO, ON M5H 4C7

Re: AREACOR INC.
Our file: 006998-69160

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including May 31, 2022:

PROFESSIONAL FEES

SUBJECT TO HST	\$3,220.00	
SUB-TOTAL		\$3,220.00

DISBURSEMENTS

NON TAXABLE	\$5.00	
SUBJECT TO HST	\$10.00	
SUB-TOTAL		\$15.00
HST at 13.00%		\$419.90

GRAND TOTAL

\$3,654.90

Amount payable on the current invoice	\$3,654.90
Plus outstanding invoices on this matter	\$3,471.93
Amount Due	<u>\$7,126.83</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 285430

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

PROFESSIONAL FEES:

- May 3, 22 Reviewed and drafted e-mails regarding various receivership matters;
- May 11, 22 Reviewed and drafted e-mails regarding City matters;
- May 11, 22 To review of site plan agreement in respect of the City's entitlement to the use of the deposit for restoration work; to e-mail communication to S. Rappos in connection therewith;
- May 12, 22 Discussed City matters with A. Krancevic; reviewed and drafted e-mails regarding City and Schindler;
- May 12, 22 To discussion with R. Miller in respect of the site plan agreement; to discussion with S. Rappos in connection therewith;
- May 13, 22 Discussed City matters with A. Krancevic; reviewed and drafted e-mails to City and Schindler regarding outstanding matters;
- May 13, 22 To further review of correspondence from the City of Hamilton in respect of the release of cash security; to discussion with S. Rappos in connection therewith;
- May 17, 22 Reviewed letter from counsel to Fusioncorp; reviewed and drafted e-mails regarding sales process;
- May 18, 22 Reviewed and drafted e-mails regarding receivership matters;
- May 24, 22 Reviewed and drafted e-mails regarding receivership matters;
- May 25, 22 Drafted responding letter to counsel to purchasers; reviewed and drafted e-mails regarding receivership borrowings; discussed matters with client;
- May 27, 22 Discussed sale process with client;
- To all matters of a general nature not more particularly referred to herein;
-

Chaitons^{LLP}

TOTAL PROFESSIONAL FEES	\$3,220.00
HST at 13.00%	418.60

DISBURSEMENTS:

Subject to HST:

Teraview Charges Taxable	\$10.00	\$10.00
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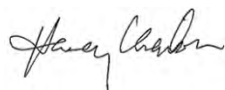
Non-Taxable:

Teraview Charges Non-taxable	\$5.00	\$5.00
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TOTAL DISBURSEMENTS	\$15.00
HST at 13.00%	1.30

GRAND TOTAL	\$3,654.90
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CHAITONS LLP



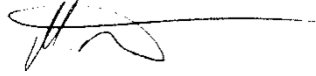
per: _____
Harvey Chaiton



LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
SAM RAPPOS	\$600.00	4.10	\$2,460.00
ALEXANDRA KRANCEVIC	\$400.00	1.90	\$760.00
Total:		6.00	\$3,220.00

**THIS IS EXHIBIT "D" TO
THE AFFIDAVIT OF SAM RAPPOS
SWORN BEFORE ME THIS 8th
DAY OF SEPTEMBER, 2022**

A handwritten signature in black ink, appearing to be "H. Rappos", written over a horizontal line.

A Commissioner Etc.



INVOICE NUMBER: 286064

July 31, 2022

RSM CANADA LIMITED
11 KING STREET WEST, SUITE 700
TORONTO, ON M5H 4C7

Re: AREACOR INC.
Our file: 006998-69160

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including July 31, 2022:

PROFESSIONAL FEES

SUBJECT TO HST	\$1,417.50	
SUB-TOTAL		\$1,417.50

DISBURSEMENTS

NON TAXABLE	\$11.05	
SUBJECT TO HST	\$24.30	
SUB-TOTAL		\$35.35
HST at 13.00%		\$187.43

GRAND TOTAL

\$1,640.28

Amount payable on the current invoice	\$1,640.28
Plus outstanding invoices on this matter	\$7,126.83
Amount Due	<u>\$8,767.11</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 286064

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

PROFESSIONAL FEES:

Jun 6, 22 Reviewed and drafted e-mails regarding construction liens;

Jun 7, 22 Reviewed and drafted e-mails regarding receivership matters;

Jun 10, 22 Reviewed and drafted e-mails regarding receivership matters; updated service list;

Jun 14, 22 Attended call with client and counsel to Tarion; discussed matters with client; reviewed and drafted e-mails regarding receivership matters;

Jun 16, 22 To preparation of e-mail communication to S. Rappos regarding requested quote; to discussion with R. Miller;

Jun 28, 22 Reviewed and drafted e-mails regarding matters related to the City;

Jul 6, 22 Drafted e-mail to City of Hamilton;

Jul 13, 22 Reviewed and drafted e-mails regarding agreement with City for access to parking lot;

Jul 25, 22 Reviewed and drafted e-mails regarding license agreement with City for parking lot;

Jul 25, 22 To receive instructions and begin to review correspondence and Municipal Car Park Use License Agreement;

To all matters of a general nature not more particularly referred to herein;

TOTAL PROFESSIONAL FEES
\$1,417.50

HST at 13.00%

184.28

DISBURSEMENTS:
Subject to HST:

Teraview Charges Taxable

\$24.30

\$24.30

Chaitons^{LLP}

Non-Taxable:

Teraview Charges Non-taxable	\$11.05	
		\$11.05

TOTAL DISBURSEMENTS
HST at 13.00%

\$35.35
3.16

GRAND TOTAL

\$1,640.28

CHAITONS LLP



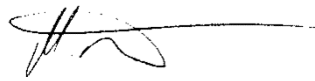
per: _____
Harvey Chaiton



LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
SAM RAPPOS	\$600.00	1.90	\$1,140.00
ALEXANDRA KRANCEVIC	\$400.00	0.30	\$120.00
MARK WILLIS-O'CONNOR	\$525.00	0.30	\$157.50
Total:		2.50	\$1,417.50

**THIS IS EXHIBIT "E" TO
THE AFFIDAVIT OF SAM RAPPOS
SWORN BEFORE ME THIS 8th
DAY OF SEPTEMBER, 2022**

A handwritten signature in black ink, appearing to be a stylized name, possibly "H. Rappos", written over a horizontal line.

A Commissioner Etc.



INVOICE NUMBER: 286545

August 31, 2022

RSM CANADA LIMITED
11 KING STREET WEST, SUITE 700
TORONTO, ON M5H 4C7

Re: AREACOR INC.
Our file: 006998-69160

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including August 31, 2022:

PROFESSIONAL FEES

SUBJECT TO HST	\$2,325.00	
SUB-TOTAL		\$2,325.00
HST at 13.00%		\$302.25

GRAND TOTAL

\$2,627.25

Amount payable on the current invoice	\$2,627.25
Plus outstanding invoices on this matter	\$8,767.11
Amount Due	<u>\$11,394.36</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 286545

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

PROFESSIONAL FEES:

Aug 9, 22 MWO To review correspondence and title documents; to review draft License Agreement with City of Hamilton; to revise and insert additional provisions to draft License Agreement and deliver clean and blacklined copies with additional comments;

Aug 10, 22 MWO To prepare and send additional correspondence and advise re draft License Agreement with City of Hamilton;

Aug 18, 22 SPR Drafted emails regarding comments on draft license agreement for parking spaces;

Aug 26, 22 SPR Reviewed draft Receiver's report regarding borrowings;

Aug 31, 22 AMK To discussion with S. Rappos regarding the satisfaction of the purchase price;

TOTAL PROFESSIONAL FEES
\$2,325.00

HST at 13.00%

302.25

GRAND TOTAL
\$2,627.25
CHAITONS LLP

per:

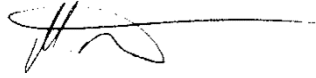


 Sam Rappos

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
SAM RAPPOS	\$600.00	0.70	\$420.00
ALEXANDRA KRANCEVIC	\$400.00	0.30	\$120.00
MARK WILLIS-O'CONNOR	\$525.00	3.40	\$1,785.00
Total:		4.40	\$2,325.00

**THIS IS EXHIBIT "F" TO
THE AFFIDAVIT OF SAM RAPPOS
SWORN BEFORE ME THIS 8th
DAY OF SEPTEMBER, 2022**

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

A Commissioner Etc.

SUMMARY

Lawyer	Year of Call	Hours Billed	Hourly Rate	Amount Billed
Sam Rappos	2005	30.7	\$600.00	\$18,420.00
Harvey Chaiton	1982	5.5	\$825.00	\$4,537.50
Robert Miller	1984	0.8	\$725.00	\$580.00
Alexandra Krancevic	2017	17.3	\$400.00	\$6,920.00
Mark Willis-O'Connor	2013	3.7	\$525.00	\$1,942.50
Andrew DiMarco	2021	0.3	\$275.00	\$82.50
Lee Starr	Articling Student	2.2	\$200.00	\$440.00
Total Hours and Amounts Billed		60.50		\$32,922.50
Average Hourly Rate			\$544.17	
Total Disbursements				\$844.22
Total Taxes (HST)				\$4,303.58
TOTAL				\$38,070.30

TAB V

Court File No. CV-22-00674747-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -**AREACOR INC.**

Respondent

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

**AFFIDAVIT OF SARAH WHITE
(Affirmed September 7, 2022)**

I, **SARAH WHITE** of the City of Toronto, in the Province of Ontario, **AFFIRM
AND SAY:**

1. I am a lawyer at the law firm Loopstra Nixon LLP (“**Loopstra Nixon**”), counsel to RSM Canada Limited in its capacity as Court-appointed receiver (the “**Receiver**”), without security, of all the undertakings, properties and assets of Areacor Inc. (the “**Debtor**”). Accordingly, I have knowledge of matters hereinafter deposed to.

2. Attached hereto and collectively marked as **Exhibit “A”** is a true copy of the Statement of Account of Loopstra Nixon in respect of services rendered to the Receiver for the period from January 7, 2022 through August 31, 2022 (the “**Billing Period**”). During the Billing

Period, the total fees and disbursements billed were \$13,097.00 and \$135.83 with applicable taxes of \$1,720.27 for an aggregate amount of \$14,953.10.

3. As set out in the following table, 26.50 hours were billed by Loopstra Nixon during the Billing Period, resulting in an average hourly rate of \$494.23 (exclusive of applicable taxes):

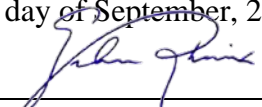
Name of Professional	Total Hours	Hourly Rate(s) (\$)
R.G. Phoenix (2006)	13.70	635
Sarah White (2020)	12.10	350
Amanda Adamo (Law Clerk)	0.20	125
Shannon MacKinnon (Law Clerk)	0.50	275

4. I confirm that the activities detailed in the Statement of Account attached hereto as Exhibit "A" accurately reflect the services provided by Loopstra Nixon; and, that the rates charged are the standard hourly rates for each such professional at the time that such charges were incurred.

5. In connection with the within accounts, Loopstra Nixon has been paid nil (\$0.00) and holds nil (\$0.00) on retainer in trust.

6. I affirm this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of Loopstra Nixon, and for no other reason or improper purpose.

AFFIRMED BEFORE ME at the)
 City of Toronto, in the)
 Province of Ontario, this)
 7th day of September, 2022)

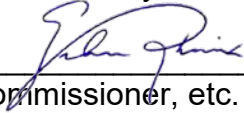


 A Commissioner for taking affidavits, etc.



SARAH WHITE

This is Exhibit "A" referred to in the Affidavit of Sarah White affirmed before me this 7th day of September, 2022.



A Commissioner, etc.



September 7, 2022

R. Graham Phoenix
Direct Line: 416.748.4776
Email: gphoenix@loonix.com
RGP Professional Corporation

CONFIDENTIAL

RSM Canada Limited
11 King Street West, Suite 700, Box 27
Toronto, ON M5H 4C7

Matter No. 26821-0001

Attention: Bryan Tannenbaum

RE: Receivership of Areacor Inc.

Please find enclosed herewith our Statement of Account for services rendered with regard to the above-noted matter to and including August 31, 2022 which we trust you will find satisfactory.

If you have any questions, please contact the undersigned.

Yours truly,

LOOPSTRA NIXON LLP
Per:

R. Graham Phoenix
Encl.



September 7, 2022

Invoice No. 115519

Matter No. 26821-0001

RSM Canada Limited
11 King Street West, Suite 700, Box 27
Toronto, ON M5H 4C7

Attention: Bryan Tannenbaum

RE: Receivership of Areacor Inc.

STATEMENT OF ACCOUNT

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with the above-noted matter through to August 31, 2022.

OUR FEE	\$13,097.00
HST on Fees @ 13%	\$1,702.61

DISBURSEMENTS:

Total Disbursements	\$135.83
HST on Disbursements	\$17.66

Total Fees, Disbursements and HST	<u>\$14,953.10</u>
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The above account represents a summary of the professional services rendered to you, and this firm reserves the right to provide further particulars of our professional services rendered in the event the same is required or requested.

THIS IS OUR STATEMENT OF ACCOUNT HEREIN

LOOPSTRA NIXON LLP

Per:

R. Graham Phoenix
RGP/cks

In accordance with the Solicitor's Act, interest will be charged on this account until paid, at the rate of 2.0% per annum, commencing one month after delivery, E. & O.E. * HST No. 122610298RT0001



PRIVILEGED AND CONFIDENTIAL
Billing Detail Report to 31-Aug-2022

September 7, 2022

Invoice No. 115519

RSM Canada Limited
11 King Street West, Suite 700, Box 27
Toronto, ON M5H 4C7

Matter No. 26821-0001

Attention: Bryan Tannenbaum

RE: Receivership of Areacor Inc.

FEES

<u>Date</u>	<u>Narrative</u>	<u>Professional</u>	<u>Time</u>
07-Jan-2022	Call with H. Chaiton and B. Tanenbaum.	RGP	0.20
10-Jan-2022	Review materials re: MZ application.	RGP	0.70
12-Jan-2022	Review responding record of debtor.	RGP	0.30
13-Jan-2022	Attend on motion re: appointment of receiver.	RGP	0.30
14-Feb-2022	Review correspondence from company counsel. Emails to Receiver.	RGP	0.20
15-Feb-2022	Call with Receiver.	RGP	0.10
07-Mar-2022	Review file and applicaiton record. Directions to SBW re: security review.	RGP	0.60
07-Mar-2022	To completing security review.	SBW	1.30
08-Mar-2022	To completing various searches; to providing instruction to SJM re: title search.	AMA	0.20
08-Mar-2022	To receipt of request for title search; to pulling title search; to correspondence re: same;	SJM	0.30
09-Mar-2022	To draft security review.	SBW	3.20
10-Mar-2022	To editing the Security Review.	SBW	0.30
10-Mar-2022	To edit security review.	SBW	1.90
10-Mar-2022	To completing search of title re: 11 Cannon Street West; to correspondence re: same;	SJM	0.20
11-Mar-2022	To completing Security Review	SBW	1.10
15-Mar-2022	Review and mark up security review from SBW. Discussion with SBW re: same. Emailt to H. Chaiton re: status and inquiry on postponement agreement.	RGP	1.20
15-Mar-2022	To completing Security Review.	SBW	1.00
17-Mar-2022	Speak to creditor (law firm). Emails with counsel to MZ. Review revised security review. Revisions to same.	RGP	0.70



18-Mar-2022	Emails with Chaitons. Revisions to draft security review.	RGP	0.60
21-Mar-2022	To completing review of security agreement and changes	SBW	1.20
22-Mar-2022	To completing review of changes and edits to security review.	SBW	0.20
01-Apr-2022	Finalize comments on security review and directions to SBW re: same. Emails with S. Rappos re: service list. Emails with creditor re: update.	RGP	0.70
01-Apr-2022	To assembling security review and attachments, and email to RSM Limited re security review.	SBW	0.60
21-May-2022	Review correspondence from counsel to secured creditor re: potential City tax issue. Emails re: same.	RGP	0.50
05-Jul-2022	Review borrower correspondence. Meeting with Receiver re: update.	RGP	0.40
06-Jul-2022	Comment on receiver draft to Debtor's counsel.	RGP	0.10
14-Jul-2022	Email with Receiver re: debtor counsel demands.	RGP	0.10
20-Jul-2022	Call with Receiver and MZ re: purchase agreement and lien issues. Call with Receiver re: debrief	RGP	1.10
20-Jul-2022	Email to debtor's counsel re: communications.	RGP	0.30
21-Jul-2022	Email with Purchaser's counsel. Emails with Receiver.	RGP	0.20
08-Aug-2022	Review and comment on Draft APS. Send to Receiver. Call with Receiver re: same. Revise and finalize draft of same. Circulate to Receiver for comment.	RGP	2.10
16-Aug-2022	Call with client and counsel to MZ.	RGP	0.70
17-Aug-2022	Emails with court re: dates.	RGP	0.20
18-Aug-2022	Emails with counsel re: Court Dates.	RGP	0.10
19-Aug-2022	Emails with trustee re: APA and with counsel re: scheduling. Emails to Court office.	RGP	0.30
22-Aug-2022	Emails to counsel re: court dates.	RGP	0.10
23-Aug-2022	Review and comment on report re: funding.	RGP	0.40
23-Aug-2022	Emails with counsel to debtor. Emails with receiver and counsel to MZ.	RGP	0.30
24-Aug-2022	Emails with counsel.	RGP	0.10
26-Aug-2022	Review draft receiver's report re: borrowing charge. Email to counsel to debtor re: court dates. Review APS.	RGP	0.50
30-Aug-2022	Emails with counsel and court officer re: dates.	RGP	0.10



31-Aug-2022	Various emails with counsel and trustee re: court dates, report, etc.	RGP	0.50
31-Aug-2022	To draft NOM re approval of borrowings.	SBW	1.30
OUR FEE			\$13,097.00

<u>Time Summary</u>	<u>Hours</u>
Amanda Adamo	0.20
R. Graham Phoenix	13.70
Sarah White	12.10
Shannon MacKinnon	0.50
Total hours:	26.50

<u>DISBURSEMENTS</u> (E=HST exempt)	Amount
Abstract Search	35.35
Litigation Searches	41.08
Oncorp EDD	51.40
Search Expenses	8.00
Total Disbursements	\$135.83

MARSHALLZEHR GROUP INC.**-and-****AREACOR INC.**

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

Court File No. CV-22-00674747-00CL

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

Proceedings commenced at **TORONTO****AFFIDAVIT OF FEES****LOOPSTRA NIXON LLP**

135 Queens Plate Drive – Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix (LSO# 52650N)

Tel.: 416.748.4776

Email: gphoenix@loonix.com**Sarah White (LSO #82985M)**

Tel.: 416.748.6545

Email: swhite@loonix.com

t. 416-748-65

f. 416-746-8319

*Independent Counsel to the Receiver, RSM
Canada Limited*

MARSHALLZEHR GROUP INC.
Applicant

and

AREACOR INC.
Respondent

Court File No. CV-22-00674747-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

SECOND REPORT OF THE RECEIVER

LOOPSTRA NIXON LLP

135 Queens Plate Drive, Suite 600
Toronto, ON M9W 6V7

Graham Phoenix (LSO #52650N)

Tel: (416) 478-4766

E-mail: gphoenix@loonix.com

**Lawyers for RSM Canada Limited, Court-
appointed Receiver of Areacor Inc.**

TAB 3

Court File No. ~~_____~~ CV-22-00674747-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

THE HONOURABLE _____) ~~WEEKDAY,~~ MONDAY, THE #3rd
JUSTICE _____ ) DAY OF ~~MONTH, 20YR~~ OCTOBER 2022

B E T W E E N:

PLAINTIFF

Plaintiff

MARSHALLZEHR GROUP INC.

Applicant

- and -

DEFENDANT

Defendant

AREACOR INC.

Respondent

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

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~ RSM Canada Limited., in its capacity as the Court-appointed receiver (the "**Receiver**"), without security, of all of the ~~undertaking,~~ property undertakings, properties and assets of ~~[DEBTOR]~~ Areacor Inc. (the "**Debtor**") for an order

approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and ~~[NAME OF PURCHASER]~~ Marbelle Estates Inc. (the "**Purchaser**") dated ~~[DATE]~~ August 26, 2022, and appended to the Second Report of the Receiver dated ~~[DATE]~~ September 8, 2022 (the "**Second Report**"), and vesting in the Purchaser the Debtor's ~~right~~ rights, title and ~~interest~~ interests in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day by judicial videoconference at the Courthouse at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and the confidential appendices to the Second Report, filed separately with the Court (the "Confidential Appendices") and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~, the Debtor, and such other counsel and parties as listed on the Counsel Slip, no one else appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME]~~ Amanda Adamo sworn ~~[DATE]~~ 2022, filed¹:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. - The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the ~~Debtor's right~~ Debtor's rights, title and ~~interest~~ interests in and

¹~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

²~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

³~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

to the Purchased Assets ~~described in the Sale Agreement [and listed on Schedule B hereto]~~⁴ shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"⁵), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ~~[NAME]~~ Mr. Justice Cavanagh dated ~~[DATE]~~ January 13, 2022; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"** hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office ~~for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver~~ [Land Titles Division of {LOCATION} (#62)] of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in **Schedule "B"** hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "C"** hereto.

⁴ ~~To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

⁵ ~~The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

⁶ ~~Elect the language appropriate to the land registry system (Registry vs. Land Titles).~~

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS that the Existing Purchase Agreements (as defined in the Second Report) between the Debtor and purchasers of residential condominium units (the "Condo Purchasers") that were to be built by the Debtor on the Real Property, shall be terminated on the date on which the Receiver delivers the Receiver's Certificate pursuant to paragraph 2 hereof. The Receiver be and is hereby directed to (a) deliver a copy of this Order, by mail or email (where possible) to the each of the Condo Purchasers forthwith following the issuance hereof; and, (b) to deliver a copy Receiver's Certificate by the same means to each of the Condo Purchasers forthwith after delivery thereof, confirming the termination of the Existing Purchase Agreements.

~~5.6.~~ **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

~~6.7.~~ **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser ~~all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement.~~information in the Debtor's records. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

⁷~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

⁸~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

~~7.8.~~ **THIS COURT ORDERS** that, notwithstanding:

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

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

~~8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~

9. **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.

Revised: January 21, 2014

10. THIS COURT ORDERS that this order is effective from today's date and is enforceable without the need for entry and filing.

Court File No. CV-22-00674747-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

B E T W E E N:

PLAINTIFF

Plaintiff

MARSHALLZEHR GROUP INC.

Applicant

- and -

DEFENDANT

Defendant

AREACOR INC.

Respondent

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

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of ~~the~~The Honourable ~~[NAME OF JUDGE]~~of Justice Cavanagh the Ontario Superior Court of Justice (Commercial List) (the "Court") dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~January 13, 2022, RSM Canada Limited was appointed as the receiver (the "Receiver"), ~~without security, of all~~ of the ~~undertaking, property~~undertakings, properties and assets of ~~[DEBTOR]~~Areacor Inc. (the ~~"Debtor"~~).

B. Pursuant to an Order of the Court dated ~~[DATE]~~October 3, 2022, the Court approved the agreement of purchase and sale ~~made as of [DATE OF AGREEMENT]~~ (the "Sale Agreement") between the Receiver ~~[Debtor]~~ and ~~[NAME OF PURCHASER]~~Marbelle Estates Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's ~~right~~rights, title and ~~interest~~interests in and to the Purchased Assets, ~~(as defined~~

in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing ~~as~~ set out in ~~section 4.1~~ of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the ~~Transaction~~transaction contemplated by the Sale Agreement has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing ~~as~~ set out in ~~section 4.1~~ of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The ~~Transaction~~transaction contemplated by the Sale Agreement has been completed to the satisfaction of the Receiver.

4. ~~This Certificate~~THIS CERTIFICATE was delivered by the Receiver at _____ ~~[TIME]~~ on _____ ~~[DATE]~~, 2022.

~~{NAME OF RECEIVER}~~RSM CANADA LIMITED, solely in its capacity as Court-appointed Receiver of of all of the ~~undertaking, property~~undertakings, properties and assets of ~~{DEBTOR}~~Areacor Inc. and not in ~~its personal~~any persona, corporate or other capacity

Per: _____
Name: _____
Title: _____

Revised: January 21, 2014

~~Schedule C—Claims to be deleted and expunged from title to~~ — Real Property

Municipal Address: 15 Cannon Street West, Hamilton, Ontario

Legal Description: PIN 17586-01553 (LT)

Part of Lot 13, Block 6 Plan 39, Part 1 on 62R-21575, subject to easement as in Instrument No. WE1493193; City of Hamilton, being all of PIN17586-01553 (LT)

Schedule "C" – Claims to be deleted and expunged from title to Real Property

<u>Reg. No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Amount</u>	<u>Parties From</u>	<u>Parties To</u>
<u>WE1252218</u>	<u>Nov 23, 2017</u>	<u>Charge</u>	<u>\$3,500,000</u>	<u>Debtor & Roni Gilyana</u>	<u>Aviva Insurance Company of Canada</u>
<u>WE1293837</u>	<u>June 29, 2018</u>	<u>Charge</u>	<u>\$12,000,000</u>	<u>Debtor & Roni Gilyana</u>	<u>Marshallzehr Group Inc.</u>
<u>WE1293838</u>	<u>June 29, 2018</u>	<u>No Assgn Rent</u>		<u>Debtor & Roni Gilyana</u>	<u>Marshallzehr Group Inc.</u>
<u>WE1293839</u>	<u>Jun 29, 2018</u>	<u>No Assgn Rent Gen</u>		<u>Debtor</u>	<u>Marshallzehr Group Inc.</u>
<u>WE1293840</u>	<u>Jun 29, 2018</u>	<u>Restriction-Land</u>		<u>Debtor & Roni Gilyana</u>	
<u>WE1293841</u>	<u>Jun 29, 2018</u>	<u>Restriction-Land</u>		<u>Debtor</u>	
<u>WE1294556</u>	<u>Jul 5, 2018</u>	<u>Postponement</u>		<u>Aviva Insurance Company of Canada</u>	<u>Marshallzehr Group Inc.</u>
<u>WE1344993</u>	<u>Mar 22, 2019</u>	<u>Notice</u>	<u>\$2</u>	<u>Debtor</u>	<u>Marshallzehr Group Inc.</u>
<u>WE1351712</u>	<u>Apr 30, 2019</u>	<u>Charge</u>	<u>\$208,756</u>	<u>Debtor</u>	<u>City of Hamilton</u>
<u>WE1493194</u>	<u>Feb 25, 2021</u>	<u>Postponement</u>		<u>Aviva Insurance Company of Canada</u>	<u>Bell Canada</u>
<u>WE1493195</u>	<u>Feb 25, 2021</u>	<u>Postponement</u>		<u>Marshallzehr Group Inc.</u>	<u>Bell Canada</u>
<u>WE1567387</u>	<u>Dec 10, 2021</u>	<u>Construction Lien</u>	<u>\$2,436,674</u>	<u>Fusioncorp Developments Inc.</u>	
<u>WE1570556</u>	<u>Dec 21, 2021</u>	<u>Certificate</u>		<u>Fusioncorp Developments Inc.</u>	<u>Debtor & Marshallzehr Group Inc.</u>
<u>WE1574019</u>	<u>Jan 11, 2022</u>	<u>Construction Lien</u>	<u>\$176,618</u>	<u>Demand Electric Inc.</u>	

WE1575349	Jan 17 2022	Certificate		Demand Electric Inc.	
WE1577044	Jan 21, 2022	Apl Court Order		Superior Court of Justice (Commercial List)	RSM Canada Limited
WE1578689	Jan 28 2022	Construction Lien	\$88,692	Earl O'Neil Electric Supply Limited	
WE1590029	Jun 17 2022	Construction Lien	\$52,545	Northstar Scaffold (Ontario) Inc.	
WE1614092	Jun 17 2022	Certificate		Earl O'Neil Electric Supply Limited	

**Schedule “D” – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

SPECIFIC PERMITTED ENCUMBRANCES / REGISTRATIONS

<u>Reg. No.</u>	<u>Date</u>	<u>Instrument Type</u>	<u>Amount</u>	<u>Parties From</u>	<u>Parties To</u>
WE1132144	Jul 7, 2016	Transfer	\$285,000	Arthur Terrance Cook	Debtor
WE1185398	Feb 10, 2017	Transfer		Roni Kilyana	Roni Kilyana & Debtor
WE1303020	Aug 16, 2018	Transfer	\$305,350	Roni Kilyana	Debtor
WE1329678	Dec 24 2018	Notice	\$2	Debtor	City of Hamilton
WE1375037	Aug 19 2019	Appl to Consolidate		Debtor	
62R21575	Nov 25, 2020	Plan Reference			
WE1472027	Nov 25, 2020	Apl Absolute Title		Debtor	
WE1493193	Feb 25, 2021	Transfer Easement	\$2	Debtor	Bell Canada

GENERAL PERMITTED ENCUMBRANCES

1. [Any registered reservations, restrictions, rights of way, easements or covenants that run with the Real Property.](#)
2. [Any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service.](#)
3. [All applicable laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the Real Property.](#)

4. Any minor easements for the supply of utility service to the Real Property or adjacent properties.
5. Encroachments disclosed by any errors or omissions in existing surveys of the Real Property or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-laws or any other applicable law, by-laws or regulations which might be disclosed by a more up-to-date survey of the land and survey matters generally.
6. The exceptions and qualifications set forth in the *Land Titles Act* (Ontario).
7. The reservations, limitations, provisos and conditions contained in the original grant from the Crown.
8. Liens for taxes if such taxes are not due and payable.
9. Such other minor encumbrances or defects in title which do not, individually or in the aggregate, materially affect the use, enjoyment or value of the Real Property or any part thereof, or materially impair the value thereof.

~~Revised: January 21, 2014~~

MARSHALLZEHR GROUP INC.

Applicant

-and-

AREACOR INC.

Respondent

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

Court File No. CV-22-00674747-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

Proceedings commenced at Toronto

APPROVAL & VESTING ORDER

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Independent counsel to the Receiver, RSM
Canada Limited

TAB 4

Court File No. ~~_____~~ CV-22-00674747-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST—]

THE HONOURABLE _____) ~~WEEKDAY,~~ MONDAY, THE #3rd
JUSTICE _____ ) DAY OF ~~MONTH, 20YR~~ OCTOBER 2022

B E T W E E N:

PLAINTIFF

Plaintiff

MARSHALLZEHR GROUP INC.

Applicant

- and -

DEFENDANT

Defendant

AREACOR INC.

Respondent

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

DISCHARGE ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~RSM Canada Limited, in its capacity as the Court-appointed receiver (the "**Receiver**"), without security, of all of the ~~undertaking, property~~ undertakings, properties and assets of ~~[DEBTOR]~~Areacor Inc. (the "**Debtor**"), including but not limited to the real property known municipally as 11 and 15 Cannon Steet West, Hamilton, Ontario and registered in Land Titles under PIN 17586-01553 (LT) (the "Real Property"), for an order, *inter alia*:

1. approving the activities of the Receiver as set out in the ~~report of the Receiver dated [DATE] (the "Report");~~ first report of the Receiver dated September 2, 2022 (the "First Report"), the second report of the Receiver dated September 8, 2022 (the "Second Report"; and, together with the First Report, the "Reports") and the confidential appendices to the Second Report (the "Confidential Appendices");
2. approving the fees and disbursements of the Receiver and its counsel;
3. ~~approving~~ authorizing and directing the ~~distribution of~~ Receiver to administer the ~~remaining proceeds available~~ Lien Holdback (as defined herein) in accordance with the ~~estate of~~ terms hereof;
- 3.4. sealing the ~~Debtor; [and]~~ Confidential Appendices;
- 4.5. discharging ~~[RECEIVER'S NAME]~~RSM Canada Limited as Receiver of the ~~undertaking, property~~ undertakings, properties and assets of the Debtor~~;~~; and
- 5.6. releasing ~~[RECEIVER'S NAME]~~RSM Canada Limited, from any and all liability, as set out in paragraph ~~5~~ 10 of this Order~~;~~[†],

was heard this day by judicial videoconference at the Courthouse at 330 University Avenue, Toronto, Ontario.

ON READING the ~~Report~~ Reports, the Confidential Appendices, the affidavits of the Receiver and its counsel as to fees ~~(the "appended to the Second Report (collectively, the "Fee Affidavits");")~~, and on hearing the submissions of counsel for the Receiver, the Debtor, and such other counsel and parties listed on the Counsel Slip, no one else appearing although served as

[†] If this relief is being sought, stakeholders should be specifically advised, and given ample notice. See also Note 4, below.

evidenced by the Affidavit of ~~[NAME]~~ Amanda Adamo sworn ~~[DATE]~~, September ~~<*>~~, 2022, filed²;

APPROVAL OF ACTIVITIES AND FEES

1. **THIS COURT ORDERS** that the activities of the Receiver, as set out in the Reports and the Confidential Appendices, including the interim statement of receipts and disbursements appended to the Second Report, are hereby approved.

2. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, including the Fee Accruals (as defined in the Second Report) and as set out in the Second Report and the Fee Affidavits, (collectively the “Approved Administrative Fees”), are hereby approved.

~~3. THIS COURT ORDERS that, after payment of the fees and disbursements herein approved, the Receiver shall pay the monies remaining in its hands to [NAME OF PARTY]³.~~

LIEN HOLDBACK

~~3. THIS COURT ORDERS~~ that upon ~~payment~~ closing of the Court-approved transaction (the “Transaction”) contemplated by an agreement ~~of the amounts set~~ purchase and sale dated August 26, 2022 between the Receiver, as vendor, and Marbelle Estates Inc., as purchaser, the Receiver be and his hereby authorized and directed to deposit and hold the amount of \$347,404.36, out in of the closing proceeds (the “Lien Holdback”).

4. **THIS COURT ORDERS** that any MarshallZehr Group Inc. (“MarshallZehr”) or those parties having registered liens against the Real Property (the “Lien Claimants”) shall be entitled to make a motion to the Court in these proceedings, on notice to all such parties and the Receiver, for the purposes of establishing entitlement to the Lien Holdback; and, for greater certainty, as necessary, the stay in this proceedings is lifted for the limited purpose of allow any such party to make such motions.

² ~~This model order assumes that the time for service does not need to be abridged.~~

³ ~~This model order assumes that the material filed supports a distribution to a specific secured creditor or other party.~~

5. THIS COURT ORDERS that, notwithstanding that it is entitled to notice of any motion as above, the Receiver shall not be a party to any such motion and shall not be required to produce a report or any documentation, nor sit for examinations, nor participate in any such motion in any manner other than as an observer and in no event shall costs be sought or awarded against the Receiver in connection with the same.

6. THIS COURT ORDERS that the Receiver shall hold the Lien Holdback in a non-interest-bearing account, to be distributed by the Receiver pursuant to further order(s) of the Court or on the express agreement and consent of MarshallZehr and the Lien Claimants.

7. THIS COURT ORDERS that once the Receiver made all distributions out of the Lien Holdback pursuant to paragraph 36 hereof, the Receiver shall refund the balance of the Lien Holdback, if any, to MarshallZehr.

SEALING

8. THIS COURT ORDERS that the Confidential Appendices be and are hereby sealed and shall not form part of the public record pending closing of the Transaction or further order of this Court.

DISCHARGE

4.9. THIS COURT ORDERS that upon payment of the Approved Administrative Fees and amounts contemplated by paragraph 7 hereof and upon the Receiver filing a certificate (the “Discharge Certificate”) certifying that it has completed the ~~other activities described~~ Remaining Duties (as defined in the Second Report), the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of [RECEIVER'S NAME]RSM Canada Limited, in its capacity as Receiver.

5.10. THIS COURT ORDERS AND DECLARES that ~~{RECEIVER'S NAME}~~, upon the filing of the Discharge Certificate, RSM Canada Limited is hereby released and discharged from any and all liability that ~~{RECEIVER'S NAME}~~RSM Canada Limited now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of ~~{RECEIVER'S NAME}~~RSM Canada Limited while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. -Without limiting the generality of the foregoing, ~~{RECEIVER'S NAME}~~RSM Canada Limited is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the ~~Receiver's~~Receiver's part.⁴.

EFFECTIVENESS

11. THIS COURT ORDERS that this order is effective from today's date and is enforceable without the need for entry and filing.

⁴The model order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims bar process, which would unnecessarily add time and cost to the receivership. The general release language has been added to this form of model order as an option only, to be considered by the presiding Judge in each specific case. See also Note 1, above.

Revised: May 11, 2010

MARSHALLZEHR GROUP INC.

Applicant

-and-

AREACOR INC.

Respondent

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

Court File No. CV-22-00674747-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

Proceedings commenced at Toronto

DISCHARGE ORDER

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MARSHALLZEHR GROUP INC.

-and- AREACOR INC.

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

Court File No. CV-22-00674747-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
[Commercial List]**

Proceedings commenced at **Toronto**

**MOTION RECORD OF
RSM CANADA LIMITED**
(returnable October 3, 2022 @ 10:00am)

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