

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

2507448 ONTARIO INC.

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, and section 101 of the *Courts of Justice Act*,
R.S.O. 1990, c. C.43

MOTION RECORD
(Returnable September 25, 2019)

September 17, 2019

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

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-and-

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NOTICE OF MOTION

RSM Canada Limited, in its capacity as court appointed receiver (in such capacity, the “Receiver”) over the lands and premises municipally known as 581 Wellington Street West, Toronto, Ontario will make a Motion to a Judge presiding over the Commercial List on Wednesday, September 25, 2019 at 10:00 a.m., or as soon after that time as the Motion can be heard at the court house, 330 University Avenue, 9th Floor, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING: The Motion is to be heard

orally.

THE MOTION IS FOR

- (a) An Order:
 - (i) validating service of the Motion Record, abridging the time for service and dispensing with further service thereof;
 - (ii) approving the First Report of the Receiver dated September 17, 2019 (the “**Report**”) and the conduct and activities of the Receiver as set out therein;
 - (iii) approving the Receiver’s interim statement of receipts and disbursements for the period May 3, 2019 to August 31, 2019;
 - (iv) approving the Sales Process (as defined in the Report);
 - (v) terminating the Lease (as defined in the Report);
 - (vi) requiring Del Terrelonge to, under the Receiver’s supervision, remove from the Real Property premises all Chattels and any Equipment Lease Items to be released to RHED (each as defined in the Report) on or before 5:00 P.M. on October 9, 2019;
 - (vii) authorizing the Receiver to take possession of, remove, and to sell and/or dispose of any Abandoned Items (as defined in the Report) remaining at the Real Property premises after 5:00 P.M. on October 9, 2019 and to deposit any proceeds realized from the Abandoned Items to the bank account maintained by the Receiver;

- (viii) requiring Del Terrelonge to provide the Receiver with a list of any third party property located at the Real Property premises and to identify and provide to the Receiver, in respect of any such property, the owner of same and their contact information;
 - (ix) authorizing the Receiver to deal with the Chattels and Equipment Lease Items (each as defined in the First Report) in the manner as set out in the Report;
 - (x) approving the fees and disbursements of the Receiver and its counsel as set out in the fee affidavits filed together with the Report; and
- (b) Such further and other Relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE

Background

- (c) Pursuant to an application made by First Source Financial Management Inc. (“**First Source**”), by Order of the Ontario Superior Court of Justice (the “**Court**”) dated April 8, 2019, issued and entered on April 26, 2019 (the “**Amended Appointment Order**”) and effective on May 3, 2019, RSM Canada Limited (“**RSM**”) was appointed as receiver over the lands and premises municipally known 581 Wellington Street West, Toronto, Ontario (the “**Real Property**”) and for all of the assets, undertakings and properties of 2507448 Ontario Inc. (“**250**”) acquired for, or used in relation to the Real Property, including all proceeds thereof. The Real

Property is a two-storey mixed use commercial building situated in downtown Toronto;

- (d) First Source is an Ontario corporation in the business of providing mortgage financing. First Source holds a first mortgage (the "**Mortgage**") in the principal amount of \$3,500,000 against the Real Property. As of January 17, 2019, the aggregate amount claimed under the mortgage held by First Source was \$3,690,301.02. The appointment of the Receiver was sought by First Source as a result of various defaults on the part of 250 of the terms of the Mortgage;
- (e) 250, the owner of the Real Property, is an Ontario corporation. Del Terrelonge is the sole officer and director of 250;

Post Appointment Activities re Possession and Maintenance of Real Property

- (f) Since its appointment, and as set out more particularly in the Report, the Receiver has, *inter alia*:
 - (i) attended at the Real Property, changed the locks to the building and taken steps to secure the Real Property premises;
 - (ii) made arrangements to ensure that appropriate insurance coverage is in place in respect of the Real Property;
 - (iii) delivered statutory notices pursuant to s.245(a) of the *Bankruptcy and Insolvency Act* to the extent of its ability to do so;

- (iv) retained a property management company in order to attend to repairs and maintenance matters that need addressing at the Real Property prior to the sale of the Real Property;
- (v) completed certain repairs to the Real Property, as described in the Report;

Sale Process

- (g) The Amended Appointment Order authorized the Receiver to market the Property for sale, including advertising and soliciting offers in respect of the Property;
- (h) In furtherance of same, the Receiver invited six realtors to each submit listing proposals for the marketing and sale of the Real Property. As of June 21, 2019, four proposals were received and two realtors declined to submit a proposal. After reviewing the proposals submitted, with the support of First Source, the Receiver executed a listing agreement with Avison Young ("**Avison**") on July 12, 2019 to market the Real Property for sale;
- (i) Avison launched its marketing campaign on July 12, 2019. Interested parties were informed that the Receiver would consider offers for the Real Property on or after 12:00 noon on September 20, 2019;
- (j) The Receiver has provided Avison with a baseline Agreement of Purchase and Sale (the "**Baseline APS**") for distribution to parties who intend to make an offer to purchase the Real Property and requested that all offers be made on the form of the Baseline APS, with any changes marked;

- (k) The Receiver requests that the Court approve of the steps taken by the Receiver to market the Real Property and the form of the Baseline APS (the "**Sale Process**");

Commercial Lease Agreement with 1586091 Ontario Limited o/a rhed ("RHED")

- (l) On May 7, 2019, Mr. Terrelonge advised the Receiver of a Commercial Lease Agreement which existed between 250 and a related company, RHED. RHED is an Ontario corporation of which Mr. Terrelonge is the sole officer and director. The Receiver understands the business of RHED to be design services, which are performed by Mr. Terrelonge. Apart from Mr. Terrelonge, Mr. Terrelonge has advised that RHED has one other employee, who the Receiver understands to be his assistant;
- (m) The Commercial Lease Agreement, dated November 1, 2017 (the "**Lease**"), describes a leasing arrangement between RHED and 250 for the second floor of the Real Property;
- (n) As the leased portion of the Real Property is not physically separated from the non-leased portion, the Receiver advised RHED that if RHED intended to use the leased premises during the period of the Receiver's appointment, such use would require supervision by the Receiver's representative. RHED indicated that it did not intend to use the leased premises under those conditions. As such, since the appointment of the Receiver, RHED has not occupied the leased premises or used the leased premises for any substantial business purpose;

- (o) The Receiver is of the view that the Lease contains a number of terms that are not representative of terms that would be found in a lease agreement between a landlord and an arms-length party and which would render the prospect of assumption of the Lease unattractive to a potential purchaser of the Real Property. In this regard, the Receiver is of the view that the Lease would, if maintained and required to be assumed by a purchaser, have a material negative impact on the Receiver's ability to maximize realizations on the Real Property for the benefit of 250's creditors;
- (p) A copy of the Lease has been made available to prospective purchasers in the data room established by the Receiver. To date, the Receiver is not aware of any prospective purchaser having expressed any interest in acquiring the Real Property on a tenanted basis;
- (q) For these reasons, and such other reasons as are set out more particularly in the Report, the Receiver requests that this Court order that the Lease be terminated;
- (r) Mr. Terrelonge, on behalf of RHED and 250, has confirmed he does not oppose the issuance of an Order terminating the Lease so as to enable the Receiver to deliver vacant possession upon the closing of any sale of the Real Property;

Chattels and Equipment Lease Items

- (s) A number of chattels (the "**Chattels**"), mostly in the form of furniture, boxed items and construction materials, are present at the Real Property premises. Mr. Terrelonge has indicated that these items are the property of RHED. The Receiver

has requested that Mr. Terrelonge identify to the Receiver any property which is owned by any third parties (“**Third Party Property**”) but to date no such property has been identified;

- (t) In addition to the Chattels located at the Real Property, RHED has provided the Receiver with a copy of an Equipment Lease dated November 1, 2017 which contains, at Schedule “A” a number of items which are purported pursuant to the terms of the Equipment Lease to be leased from RHED to 250 (“**Equipment Lease Items**”);
- (u) The Equipment Lease is a lease for a term of more than one year and therefore subject to the *Personal Property Security Act*. RHED’s interest in any of the Equipment Lease Items was not perfected by registration until more than one month after the Receiver’s appointment. The Lease is not registered on title to the Real Property;
- (v) The Receiver has inspected the Equipment Lease Items and consulted with Mr. Terrelonge/RHED regarding same. It appears that, as addressed in the Report, the majority of these items are:
 - (i) Chattels;
 - (ii) Items which are not expected to materially impact any offers to purchase the Real Property and which are capable of being removed without causing material damage to the Real Property; or

- (iii) Items which have been installed and are fixtures but which Mr. Terrelonge has advised RHED does not claim any priority interest in and which RHED does not seek to recover;

- (w) The Baseline APS (defined below) contemplates that the Receiver may exclude any fixtures from the sale of the Real Property by delivery of a notice of same to the purchaser of the Real Property prior to closing;

- (x) In the absence of any objection by any creditor or the stated intention of a purchaser to include any of the Equipment Lease Items in its offer to purchase the Real Property, the Receiver proposes that the Equipment Lease Items be dealt with in the manner set out in the Report, with the majority of these being released to RHED;

- (y) The Receiver, however, requires certainty as to the date upon which the Chattels and any Equipment Lease Items which are to be released to RHED will be removed. Mr. Terrelonge has advised that he requires 10 days to complete the removal of any Equipment Lease Items and Chattels from the Real Property. Accordingly, the Receiver requests an Order:
 - (i) requiring Mr. Terrelonge to identify any Third Party Property and its owner to the Receiver;

 - (ii) requiring Mr. Terrelonge to remove all Chattels and Equipment Lease Items which are to be released to RHED on or before 5:00 PM October 9, 2019;and

- (iii) Authorizing the Receiver to take possession of and remove any Chattels or Equipment Lease Items which are not removed from the Real Property by Mr. Terrelonge prior to 5:00 P.M. on October 9, 2019 (“**Abandoned Items**”) and to sell and/or dispose of any Abandoned Items and to deposit the proceeds, if any, from the Abandoned Items to the Receiver’s bank account;

Approval of Report, Fees and Conduct

- (z) The Receiver submits that its conduct and activities as set out in the Report are reasonable and justified and asks that the Report and the conduct and activities of the Receiver as set out therein be approved;
- (aa) The Receiver submits that its fees and disbursements and those of its legal counsel, Torkin Manes LLP, as set out in the fee affidavits attached to the Report (the “**Fee Affidavits**”), are reasonable and justified. The Receiver requests that this Honourable Court approve same; and
- (bb) Such further and other grounds as the lawyers may advise.

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

- (a) The Report;
- (b) The Fee Affidavits; and

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

September 17, 2019

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RCP-E 37A (July 1, 2007)

FIRST SOURCE FINANCIAL MANAGEMENT INC.
Applicant

-and- 2507448 ONTARIO INC.
Respondent

Court File No. CV-19-00613044-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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RCP-E 4C (May 1, 2016)

TAB 2

Court File No. CV-19-00613044-00CL

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

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

2507448 ONTARIO INC.

Respondent

**FIRST REPORT OF THE RECEIVER OF
581 WELLINGTON STREET WEST, TORONTO, ONTARIO**

September 17, 2019

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I. INTRODUCTION

1. Pursuant to an application made by First Source Financial Management Inc. ("**First Source**"), by Order of the Ontario Superior Court of Justice ("the **Court**") dated April 8, 2019, issued and entered on April 26, 2019 (the "**Amended Appointment Order**") and effective on May 3, 2019, RSM Canada Limited ("**RSM**") was appointed as receiver over the lands and premises municipally known 581 Wellington Street West, Toronto, Ontario (the "**Real Property**") and for all of the assets, undertakings and properties of 2507448 Ontario Inc. ("**250**" or the "**Debtor**") acquired for, or used in relation to the Real Property, including all proceeds thereof (together with the Real Property, the "**Property**"). A copy of the Amended Appointment Order is attached hereto as **Appendix "A"**.
2. The Amended Appointment Order authorizes the Receiver to, among other things, take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property.
3. The Appointment Order and other court documents have been posted on the Receiver's website, which can be found at rsmcanada.com/581-Wellington-Street-West.
4. The Receiver has retained the firm of Torkin Manes LLP ("**Torkin Manes**") to act as the Receiver's independent legal counsel.

II. PURPOSE OF REPORT

5. The purpose of this report (the "**Report**") is to:
- (a) report to the Court on the activities of the Receiver from the date of its appointment to September 16, 2019;
 - (b) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period May 3, 2019 to August 31, 2019; and
 - (c) seek an order:
 - i. terminating the Lease (defined below);
 - ii. requiring Mr. Terrelonge to remove, under the Receiver's supervision, the Chattels and any Equipment Lease Items (each defined below) which are to be released to RHED from the Real Property by no later than 5:00 p.m. on October 9, 2019;
 - iii. requiring Mr. Terrelonge to provide a list of Third Party Property (defined below) to the Receiver together with the contact information and details for the owner(s) of same;
 - iv. authorizing the Receiver to sell or otherwise dispose of any Abandoned Items (defined below) and to deposit any proceeds realized from the Abandoned Items to the bank account maintained by the Receiver;
 - v. approving the Sales Process (defined below);
 - vi. approving the First Report and the Receiver's conduct and activities set out therein;

- vii. approving the R&D (defined below); and
- viii. approving the fees and disbursements of the Receiver and of Torkin Manes incurred to August 31, 2019.

Terms of Reference

6. In preparing this report and making the comments herein, the Receiver has relied upon certain information from third-party sources (collectively, the "**Information**"). The Receiver has, 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 Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
7. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

III. BACKGROUND

8. 250 is an Ontario corporation and is the owner of the Real Property. According to a Corporation Profile Report issued by the Province of Ontario Ministry of Government Services ("**CP Report**") dated November 21, 2018, a copy of which is attached hereto as **Appendix "B"**, Del Terrelonge is the president, secretary and sole director of 250.

9. The Real Property is a two-storey mixed use commercial building situated in downtown Toronto.
10. First Source is an Ontario corporation in the business of providing mortgage financing. First Source holds a first mortgage in the principal amount of \$3,500,000 against the Real Property. As of January 17, 2019, the aggregate amount claimed under the mortgage held by First Source was \$3,690,301.02.
11. The Debtor failed to make monthly interest payments due for the months of September 2018 to January 2019 and since August 2018 was in default of its obligation to pay property taxes.
12. First Source sought the appointment of the Receiver pursuant to a Notice of Application dated January 25, 2019, citing, *inter alia*, the Respondent's default under its obligations to First Source.
13. On April 8, 2019, the Court issued an Order appointing RSM as Receiver of the Property (the "**Appointment Order**") to be effective on April 26, 2019 (the "**Appointment Date**"), only in the event that the Applicant gives written notice on the Appointment Date to the Respondent that all or part of the First Source mortgage remains outstanding as of April 26, 2019. A copy of the Appointment Order is attached hereto as **Appendix "C"**.
14. On April 26, 2019, the Applicant obtained the Amended Appointment Order wherein the Appointment Date was changed to be 5:00 pm EST on May 3, 2019.
15. On May 3, 2019, counsel for the Applicant gave written notice via email to Mr. Terrelonge (the "**May 3 Email**") that all of the mortgage loan from First Source to 250 remains outstanding. A copy of the May 3 Email is attached

hereto as **Appendix “D”**. As a result of the issuance of the May 3 Email, RSM became the Receiver of the Property on May 3, 2019.

IV. RECEIVER’S ACTIVITIES TO DATE

16. The Receiver has undertaken the activities set out below since the date of its appointment.

Taking Possession

17. The Receiver attended at the Real Property on May 3, 2019 and proceeded to change the locks to the premises.
18. As there was no alarm system at the premises, the Receiver notified Toronto Police of the appointment of the Receiver in the event that it needed to reach anyone in connection with the Real Property.
19. As at the date of the commencement of the receivership, the Debtor was in the process of renovating the Real Property, which remains in an unfinished state. Renovation work being conducted in respect of the Real Property appears to have stalled in or around July 2018.
20. When the Receiver attended at the Real Property following the issuance of the Appointment Order, the Real Property appeared to be vacant. A number of boxed items, construction materials and other chattels are being stored at or are located throughout the Real Property premises. Mr. Terrelonge has indicated that the chattels located at the Real Property premises are owned by Mr.

Terrelonge or other companies with which he is associated, and are not owned by 250 (the "**Chattels**").

21. Since May 3, 2019, the date upon which the Receiver took possession of the Real Property, the Real Property has remained vacant.

Insurance

22. The Receiver contacted the Debtor's insurance broker on May 3, 2019. The Receiver was informed that 250's insurance policy was due to expire on May 6, 2019 and that 250 was in arrears in payment of its premiums. The Receiver inquired if the insurance company would renew the policy and extend coverage to the Receiver, and requested that the Receiver be added to the policy as a named insured and loss payee. The broker confirmed that the insurer would renew the policy and transfer it to the Receiver effective May 6, 2019, the date of renewal. However, as the renewal would result in the Receiver having no coverage for the period May 3 to 5, which was not acceptable to the Receiver, the Receiver proceeded to arrange for property and liability coverage effective May 3, 2019 through its insolvency insurer.

23. The Receiver's current coverage is scheduled to expire on November 3, 2019.

Statutory Notices

24. On May 13, 2019, the Receiver sent a Notice and Statement of Receiver pursuant to Section 245(1) of the Bankruptcy and Insolvency Act (the "**BIA**") to the known creditors of the Real Property (the "**245 Notice**") as identified through

a title search of the Real Property and a Personal Property Security Registration System ("**PPSA**") search of the Respondent. The Receiver requested of the Debtor a list of the creditors of the Real Property, but no information was provided. A copy of the 245 Notice is attached hereto as **Appendix "E"**.

Security Patrols and Property Manager

25. In order to meet the Receiver's insurance requirements, the Receiver has arranged for mobile security patrols to check on the Real Property. The mobile patrols will remain in place until the Real Property is sold.
26. As set out earlier herein, the building was in the process of being renovated. In order to attend to repairs and maintenance matters that need addressing at the Real Property prior to its sale, the Receiver is utilizing the services of Moreau Property Services ("**Moreau**").

Repairs and Maintenance

27. After taking possession, the Receiver identified the following repair and maintenance issues:
 - a) one of the front windows on the second floor at the property was sealed with a piece of plywood in the opening rather than a glass window. This resulted in water entering into the building through the window opening. The Receiver arranged for repairs to seal the window and stop water from entering the window opening;

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- b) water was entering the building via one of the garage doors on the ground floor of the building. The Receiver arranged for repairs to seal the garage door on the inside to prevent water from entering;
 - c) water was leaking from several areas of the roof. Based on the condition of the roof, the Receiver obtained a quote to assess the cost of replacing same. The quote obtained indicated that the cost of a new roof could range between \$48,888 and \$68,000. Given the possibility that a purchaser of the Real Property may have an intended use of the building which differs significantly from its current use, in the Receiver's view, the expense of a full replacement of the existing roof was not justified, as it may not materially increase the value of the Real Property to a prospective purchaser. As such, rather than replace the roof, the Receiver arranged only for a roofing contractor to patch those spots in the roof through which water was identified as leaking; and
 - d) the ladder to a hatch on the second floor granting access to the exterior roof was not securely fastened and appeared to be in danger of falling off. The Receiver arranged for the ladder to be re-secured.
28. In addition to the above, water appears to be seeping into the building on the second floor along the east wall. As that wall is covered with drywall, the source of the water seepage cannot easily be determined without removal of the drywall and potentially significant expense being incurred. As a result, the Receiver has not undertaken to determine the source of the leak and no repairs have been effected by the Receiver to address this issue.

V. COMMERCIAL LEASE AGREEMENT WITH 1586091 ONTARIO LIMITED

29. On May 7, 2019, Mr. Terrelonge advised the Receiver of a Commercial Lease Agreement which existed between 250 and a related company, 1586091 Ontario Limited O/A rhed ("**RHED**"). RHED is an Ontario corporation of which Mr. Terrelonge is the sole officer and director. The Receiver understands the business of RHED to be design services, which are performed by Mr. Terrelonge. Apart from Mr. Terrelonge, Mr. Terrelonge has advised that RHED has one other employee, who the Receiver understands to be his assistant. A copy of the Corporation Profile report for RHED is attached as Appendix "F".
30. The Commercial Lease Agreement, dated November 1, 2017 (the "**Lease**"), describes a leasing arrangement between RHED and 250 for the second floor of the Real Property. A copy of the Lease was provided to the Receiver on May 8 and is attached hereto as Appendix "G". The Receiver has inquired of First Source as to whether the existence of the Lease was disclosed to First Source at the time of the Mortgage and has been advised by counsel for First Source that it was not. The Lease is not registered on title to the Real Property.
31. The Lease terms include, *inter alia*, the following:
- a) the Lease is for the "2nd Floor Unit" of the Real Property;
 - b) the initial term is for a period of four years from November 1, 2017 to October 31, 2021;
 - c) the rent payable under the initial term of the Lease is \$3,000 per month payable on the first day of each calendar month;

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- d) the Lease term may be extended by the tenant for a further period of 2 years beyond the original lease termination date, to October 31, 2023. Rent payable during the renewal term is equal to \$4,000 per month;
- e) RHED is entitled to set off any amounts owing to RHED in connection with Architectural and Design Services and consulting services performed for the landlord (250). The Lease provides that the "rent abatement program" is applicable for the duration of the Lease and any extended term, until all outstanding fees due to the Tenant have been paid in full. The Receiver has not been provided with a specific quantum of rent abatement claimed as accrued by RHED, but has been advised that it is significantly in excess of \$100,000. In connection with the rent abatement program, the Lease references "Schedule A Part 2", but no corresponding document has been provided to the Receiver. The Receiver's counsel has requested a copy of any additional contract existing between RHED and 250 which relates to the design services to be provided to 250 by RHED and copies of documentation in support of any amounts claimed as owing by 250 to RHED, but it has to date not been provided with any such information or documents;
- f) RHED is permitted to assign the Lease to any corporation under the control of RHED, which merges or consolidates with RHED or to any purchaser of the assets of RHED;
- g) All costs of "building development and project construction" are to be borne by the landlord;

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- h) "Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant thereafter, shall remain the Tenant's property free and clear of any claim by the Landlord and subsequent encumbrances."
- i) Landlord responsibilities under the terms of the lease include:
- (i) all real estate taxes;
 - (ii) maintenance of insurance;
 - (iii) comprehensive general liability insurance of not less than \$1,000,000;
 - (iv) all charges for water, sewer, gas, electricity and other services used by the tenant on the leased premises; and
- j) tenant is permitted to place signage on the leased premises at locations selected by the tenant.
32. While the Receiver understands that Mr. Terrelonge occasionally used the Real Property as an office, as the planned renovations are only partially completed, there is no existing self-contained "2nd Floor Unit" as there is no separate entrance giving access to the second floor alone.

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33. As is set out below, the Receiver is in the process of offering the Real Property for sale. The Lease is included in the data room to which interested parties are provided access.
34. The Receiver has consulted with Avison Young, who has been engaged by the Receiver for the purposes of marketing the Real Property, with a view to determining whether the Lease terms represent market rent for a comparable property in the relevant area. Avison Young has provided the Receiver with an analysis of a number of comparable leases for similar properties in the general area. The comparables have been drawn from:
- a) properties currently being offered for lease in the area of the Real Property; and
 - b) properties in the area of the Real Property in respect of which leases were entered into between the years of 2017-2018.
35. On the basis of the comparables provided by Avison Young, it would appear that the rental rates per square foot pursuant to the Lease between 250 and RHED are significantly below market rental rates.
36. September 20, 2019 has been established as the date on which offers for the purchase of the Real Property are to be received. The Baseline APS (defined below) prepared by the Receiver's counsel contemplates the delivery of vacant possession and termination of the Lease. Prospective purchasers have been advised, however, of the existence of the Lease and Avison Young was advised that should any prospective purchaser express interest in acquiring the Real Property on a tenanted basis, that an alternative baseline APS reflecting same

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- could be provided. To date, no such requests by any prospective purchasers has been communicated to the Receiver.
37. The Receiver is of the view that it is unlikely that any prospective purchaser will want to assume the Lease and, in the Receiver's view, if the Lease is not terminated, the ability to the Receiver to maximize value on the sale of the Real Property will be significantly impaired.
38. The Receiver therefore requests that this Honourable Court grant an order terminating the Lease as of May 3, 2019, the date of the appointment of the Receiver.
39. On September 13, 2019, counsel for 250/RHED confirmed that 250/RHED do not oppose the termination of the Lease.

Access to the Real Property by RHED

40. On May 17, 2019, Mr. Terrelonge requested access to the Real Property for business purposes of RHED. As access to the second floor could not be granted to RHED without giving RHED access also to the area of the building not subject to the Lease, due to the aforementioned lack of physical separation between the first and second floor units, the Receiver advised Mr. Terrelonge that the Receiver was willing to grant access to RHED, but required that RHED's access to, and use of, the building be supervised by a representative of the Receiver. Mr. Terrelonge informed the Receiver that he did not intend to use the leased premises under those conditions.
41. On July 10, 2019, Mr. Terrelonge requested temporary access to the building on behalf of RHED to retrieve certain documents/information and to inspect RHED's

inventory. On July 11, the Receiver provided Mr. Terrelonge with access to the building for these purposes.

42. No other requests have been made of the Receiver by RHED for ongoing or permanent access to be restored in order for RHED to operate its business or perform work from the Real Property. The Receiver has, however, accommodated Mr. Terrelonge's periodic requests for access to tour the building with potential lenders.

VI. CHATTELS

43. To the extent that any property located at the premises may be characterized as a chattel, the Receiver does not claim any interest in same and has requested that Mr. Terrelonge confirm his (or RHED's) intentions with respect to the removal of the Chattels from the Real Property.
44. In this regard, the Receiver requested, on each of July 12, 16 and 30 and August 13 and 22, that Mr. Terrelonge confirm his intentions with respect to the removal of the Chattels. Mr. Terrelonge has indicated that he will require approximately one and one half weeks to remove all property of RHED located at the Real Property premises.
45. The Receiver has also asked Mr. Terrelonge for details of any property belonging to third parties (the "**Third Party Property**"), if any. Mr. Terrelonge has not identified any Third Party Property located at the Real Property and the Receiver is not aware of any such property being present.

46. Given that it is anticipated that the Receiver will enter into an agreement with a purchaser for the purchase of the Real Property imminently, the Receiver requires certainty as to the timelines within which the Chattels, and any other property of RHED, Mr. Terrelonge or any Third Party Property will be removed from the Real Property premises. The Receiver therefore requests that an Order be made by the Court that:

- (i) Mr. Terrelonge shall immediately advise the Receiver in writing of any Third Party Property located at the Real Property premises and provide the name and contact information for the owner(s) of same. Otherwise, if it is the case, Mr. Terrelonge will confirm with the Receiver in writing that no Third Party Property is located at the Real Property premises;
- (ii) Mr. Terrelonge is to make arrangements for the removal of all Chattels belonging to Mr. Terrelonge or his companies and all Equipment Lease Items (defined below) which are to be released to RHED. The Receiver shall be advised of those arrangements which have been made and Mr. Terrelonge shall obtain the consent of the Receiver to such arrangements prior to attending at the Real Property for the purpose of removing the Chattels and Equipment Lease Items;
- (iii) the removal of the Chattels and Equipment Lease Items from the Real Property shall be performed under the supervision of the Receiver;
- (iv) the removal of the Chattels and Equipment Lease Items shall be completed prior to 5:00 P.M. on October 9, 2019;

- (v) any Chattels and/or Equipment Lease Items located at the Real Property premises which are not removed before 5:00 P.M. October 9, 2019, shall be deemed to have been abandoned ("**Abandoned Items**"); and
- (vi) the Receiver is authorized to take possession of, remove and to sell or dispose of any Abandoned Items and to deposit any funds realized from the Abandoned Items in the bank account of the Receiver for distribution as may be directed by future Court Order.

VII. EQUIPMENT LEASE

- 47. On August 14, 2019, counsel for 250 advised the Receiver of the existence of an equipment lease between 250, as Lessee, and RHED, as Lessor, dated November 1, 2017 (the "**Equipment Lease**"). The Equipment Lease commences on "the date on which the Equipment shall have been delivered to Lessee and installed at the Premises, that the Equipment is in accordance with the specifications of the Lessee, properly installed and working for all purposes of the Lease Schedule". The term of the lease is 60 months and the monthly rent payment is \$5,000 per month. A copy of the Equipment Lease is attached hereto as Appendix "H".
- 48. As the Equipment Lease is a lease for a term of more than one year, it is subject to the application of the PPSA. RHED did not register a financing statement pursuant to the PPSA until June 11, 2019, more than one month after the appointment of the Receiver. The Equipment Lease is not registered on title to

the Real Property. Accordingly, the Receiver is of the view that to the extent that any items appearing on the Equipment Lease are fixtures, any interest which RHED may have in same is subordinate to those secured interests registered on title to the Real Property or any other general security interest in the personal property of 250 which was perfected prior to the appointment of the Receiver.

49. The Receiver is of the view that the material question to be addressed in respect of the items under the Equipment Lease is whether they constitute chattels, which RHED is entitled to recover, or fixtures, in respect of which RHED's interest would be subordinate to senior ranking secured interests in the Real Property or personal property of 250.
50. The equipment or items leased are set out in Schedule A to the Equipment Lease and include:
 - a) custom poliform millwork cabinetry;
 - b) a custom kitchen island;
 - c) lighting fixtures;
 - d) interior tile;
 - e) appliances;
 - f) kitchen and bathroom fixtures;
 - g) Argentinian IPE flooring;
 - h) glass partitions;
 - i) art;
 - j) lounge seating on the second floor;
 - k) boardroom table on the second floor; and

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- l) office furniture
(the "**Equipment Lease Items**"),
51. On September 10, 2019, the Receiver attended at the Real Property premises with Mr. Terrelonge and his legal counsel to identify the Equipment Lease Items and to ascertain the degree to which such items had been affixed to the Real Property.
52. The following was determined with respect to the Equipment Lease Items:
- a) **Custom poliform millwork cabinetry** (example photographs attached as Appendix "I"): The custom poliform millwork cabinetry ("**Millwork**") referenced on the Equipment Lease is placed throughout the Real Property and takes the form of shelving/cabinetry. In most cases, the Millwork is not affixed to the Real Property and rests on the ground only. Where affixed, it is affixed by a simple bracket screwed into the wall of the Real Property for the apparent purpose of increasing the stability of the otherwise freestanding Millwork. In the Receiver's view, the Millwork should be classified as a chattel and may be removed by RHED. Mr. Terrelonge has indicated, on behalf of RHED, that he intends to remove all of the Millwork located at the Real Property;
- b) **Custom kitchen island** (the "**Island**") (photographs attached as Appendix "J"): The Island is comprised of a large stone countertop, sink, and cooktop. The Island is affixed to a welded steel structure which extends

beneath the floor tile and which supports the weight of the countertop. The cooktop installed in the countertop is connected to the electrical system at the Real Property. In the Receiver's view, the Island, and all of its components, are fixtures. Mr. Terrelonge has not, as of the date of this Report, confirmed whether RHED intends to dispute the Receiver's conclusion as to the status of the Island;

c) **Appliances:** Appliances located at the Real Property include:

(i) *Uninstalled appliances:* A number of boxed and uninstalled appliances are located at the Real Property. The Receiver intends to release all uninstalled appliances to RHED;

(ii) *Installed appliances* (photographs attached as Appendix "K"): Abutting the Island is a row of kitchen cabinetry which houses one Gaggenau wall oven and a set of two Sub Zero built-in refrigerators, each of which are connected to the Real Property electrical system and are functional (the "**Kitchen Cabinets and Appliances**"). Apart from the electrical connection, the Kitchen Cabinets and Appliances do not appear to be affixed to the Real Property and appear to be free standing. Mr. Terrelonge has indicated that RHED wishes to recover the Kitchen Cabinets and Appliances. The Receiver has consulted with its legal counsel as to the status of the Kitchen Cabinets and Appliances and has been advised that there is competing case law which supports

either classification. In the absence of an objection by any interested party served with these materials, or the stated intention of a purchaser that the Kitchen Cabinets and Appliances be included in its offer to purchase the Real Property, the Receiver proposes that the Kitchen Cabinets and Appliances be released to RHED;

d) **Lighting fixtures:** Mr. Terrelonge has confirmed that RHED does not intend to remove any installed light fixtures, other than as below:

- (i) *Wall sconces* (photographs attached as Appendix "L"): Several wall sconces are affixed to the interior walls of the Real Property. Mr. Terrelonge has indicated that RHED wishes to recover these items. In respect of the wall sconces the Receiver is of the view that (a) inclusion of the wall sconces in a sale of the Real Property is not likely to materially impact the value of any offers to purchase the Real Property by prospective purchasers; and (b) removal of the wall sconces is unlikely to cause any material damage to the Real Property. Having regard to the above, in the absence of an objection by any interested party served with these materials, or the stated intention of a prospective purchaser that the wall sconces be included in its offer to purchase the Real

Property, the Receiver proposes that the wall sconces be released to RHED;

- (ii) *Chandeliers* (photographs attached as Appendix "M"): One chandelier has been installed on the first floor and three chandeliers have been installed on the second floor of the Real Property, overhanging a large boardroom table. Mr. Terrelonge has indicated that RHED wishes to recover the chandeliers. In respect of the chandeliers, the Receiver is of the view that (a) inclusion of the chandeliers in a sale of the Real Property is not likely to materially impact the value of any offers to purchase the Real Property by prospective purchasers; and (b) removal of the chandeliers is unlikely to cause any material damage to the Real Property. Having regard to the above, in the absence of an objection by any interested party served with these materials, or the stated intention of a prospective purchaser that the chandeliers be included in its offer to purchase the Real Property, the Receiver proposes that the chandeliers be released to RHED;

- e) ***Interior tile***: Mr. Terrelonge has confirmed that RHED intends to remove any loose tiles from the Real Property but does not intend to remove any tiles which have been installed and are affixed to the Real Property building;

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- f) **Kitchen and bathroom fixtures:** Mr. Terrelonge has confirmed that RHED does not intend to remove any installed kitchen or bathroom fixtures, tubs or toilets.
- g) **Argentinian IPE flooring:** The Argentinian IPE flooring was never installed at the Real Property and Mr. Terrelonge advised that it was previously removed by RHED;
- h) **Glass partitions:** Mr. Terrelonge has indicated that RHED does not intend to remove any installed glass partitions from the Real Property premises;
- i) **Art:** is not affixed to the building and is to be removed by RHED;
- j) **Lounge Seating:** lounge seating on the second floor: is not affixed to the building and is to be removed by RHED;
- k) **Boardroom table:** on the second floor; is not affixed to the building and is to be removed by RHED; and
- l) **Office furniture:** None of the office furniture is affixed to the building and is to be removed by RHED.

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53. The Baseline APS (as defined below) permits the Receiver to exclude any fixtures from the sale of the Real Property by delivering a notice of same to a purchaser at least seven days prior to closing. The Receiver intends to exclude from the sale of the Real Property any of the above items whose status as a fixture or chattel could be considered questionable and in particular, subject to any objection being made by any interested party or prospective purchaser, the chandeliers, the wall sconces, all Millwork and the Kitchen Cabinetry and Appliances.
54. The Receiver seeks approval of the Court for the proposed release of the Equipment Lease Items to Mr. Terrelonge in accordance with the above.

VIII. MARKETING ACTIVITIES

55. The Amended Appointment Order authorized the Receiver to market the Property for sale, including advertising and soliciting offers in respect of the Property.
56. In furtherance of same, the Receiver invited six realtors to each submit listing proposals for the marketing and sale of the Real Property. As of June 21, 2019, four proposals were received and two realtors declined to submit a proposal. After reviewing the proposals submitted, with the support of First Source, the Receiver executed a listing agreement with Avison on July 12, 2019 to market the Real Property for sale.

57. Avison launched its marketing campaign on July 12, 2019. Interested parties have been informed that the Receiver would consider offers for the Real Property on or after noon on September 20, 2019.
58. The Receiver has provided Avison Young with a baseline Agreement of Purchase and Sale (the "**Baseline APS**") for distribution to parties who intend to make an offer to purchase the Real Property and requested that all offers be made on the form of the Baseline APS, with any changes marked. A copy of the baseline APS is attached as Appendix "**N**".
59. The Receiver requests that the Court approve of the steps taken by the Receiver to market the Real Property and the form of the Baseline APS (the "**Sale Process**").
60. The Receiver will provide information on the Receiver's/Avison's marketing efforts at the time that the Receiver seeks the approval of the Court of an agreement of purchase and sale entered into by the Receiver.

IX. SECURED OR PRIORITY CLAIMS

61. The following is a list of the PPSA claims registered against 250 in the Personal Property Security Registration System and in the Land Registry ("**PIN**") as of August 14, 2019:

Name of Registrant	Amount	PPSA	PIN
First Source Financial Management Inc.	\$3,500,000	√	√
Olympia Trust Company and Monica Goyal	\$575,000	√	√
Zaherali Visram	\$2,240,750		√
1586091 Ontario Limited o/a rhed			√

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62. Attached hereto as **Appendices "O" and "P"**, respectively, are copies of the PPSA and PIN searches.
 63. The Receiver has not as of the date of this report contacted the City of Toronto for details of the amounts owed by 250 in respect of property taxes.
 64. The validity and enforceability of the above-noted claims have not, as of the date of this report, been reviewed by the Receiver. The Receiver will seek an opinion from Torkin Manes on the validity and enforceability of secured claims against the Real Property at the time the Receiver seeks an Order authorizing the Receiver to make a distribution of funds in the Receiver's possession and will provide to the Court at that time with a summary of the opinion received.

X. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

65. Attached as **Appendix "Q"** is the Receiver's Interim Statement of Receipts and Disbursements for the period May 3, 2019 to August 31, 2019. During this period, receipts were \$50,042, including advances totaling \$50,000 from First Source under Receiver Certificate No. 1, and disbursements were \$15,549, resulting in a net cash balance of \$34,494.
66. As of the date of this report, the above-noted advance from First Source has not been repaid by the Receiver.

XI. PROFESSIONAL FEES

67. The Receiver's accounts for the period ending August 31, 2019 total \$42,845.00 in fees plus HST of \$5,569.85 for a total amount of \$48,414.85 (the "**Receiver's**

Accounts”). A copy of the Receiver’s Accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Daniel Weisz sworn September 17, 2019 that is attached as **Appendix “R”**.

68. The account of the Receiver’s counsel, Torkin Manes, totals \$30,357.50 in fees and \$318.85 in disbursements and \$3,971.88 for HST for a total of \$34,648.23 (the **“Torkin Manes Account”**) for the period ending August 31, 2019. A copy of the Torkin Manes Account, together with a summary of the personnel, hours and hourly rates described in the Torkin Manes Account, supported by the Affidavit of Jeffrey J. Simpson sworn September 17, 2019, is attached as **Appendix “S”**.

XII. CONCLUSION

69. The Receiver respectfully requests that the Court make an Order:
- (i) terminating the Lease;
 - (ii) requiring 250 and/or RHED to remove, under the Receiver’s supervision, the 250/RHED Property from the Real Property by no later than 5:00 p.m. on October 9, 2019;
 - (iii) requiring 250 and/or Mr. Terrelonge to provide details and contact information for the Third Party Property;
 - (iv) authorizing the Receiver to sell or otherwise dispose of the 250/RHED Property that is not removed from the Real Property by October 9, 2019 and directing the Receiver to deposit any funds realized from the Abandoned Items in the bank account of

the Receiver for distribution as may be directed by future Court Order;

(v) approving the First Report and the Receiver's conduct and activities to September 16, 2019;

(vi) approving the R&D; and

(vii) approving the fees and disbursements of the Receiver and of Torkin Manes incurred to August 31, 2019.

All of which is respectfully submitted to this Court as of this 17th day of September, 2019.

RSM CANADA LIMITED

In its capacity as Court-appointed Receiver of
581 Wellington Street West, Toronto, Ontario
and not in its personal capacity



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

TAB A

Court File No. CV-19-00613044-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) MONDAY , THE
JUSTICE *HAINY*)
) 8TH DAY OF APRIL, 2019
)



FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

2507448 ONTARIO 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

**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 (in such capacities, the "Receiver") without security, over the lands and premises municipally known as 581 Wellington Street West, Toronto, Ontario, having the legal description of PT LT 23 SEC L PL Military Reserve Toronto Parts 1, 14 & 15, 63R2301;

S/T & T/W CA540861 (the "Real Property"), owned by 2507448 Ontario Inc. (the "Debtor"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of David Mandel sworn January 22, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, and on reading the consent of the Debtor to the relief sought in this application, 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 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 the Real Property and for all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to the Real Property, including all proceeds thereof (together with the Real Property, the "Property").

3. The appointment of RSM Canada Limited as Receiver pursuant to paragraph 2 of this Order shall be effective on the date that the Applicant in this matter, First Source Financial Management Inc., gives written notice to the Respondent, 2507448 Ontario Inc., that all or part of the Mortgage¹ remains outstanding as of that date, provided that such notice may not be delivered later than 5:00pm EST on May 3, 2019. Such written notice may be given by the Applicant or its counsel to Del Terrelonge, authorized representative of the Respondent, by email to d@rhed-22.com.

¹ Being the mortgage loan from the Applicant in favour of the Respondent, secured by the Real Property, as more particularly described in the affidavit of David Mandel sworn January 22, 2019 in this proceeding.

RECEIVER'S POWERS

4. 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 and operate the Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, or cease to perform any contracts of the Debtor in respect of the Property;
- (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 in respect of the Property or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor in respect of the Property and to exercise all remedies of the Debtor in respect of the Property in collecting such monies,

- including, without limitation, to enforce any security held by the Debtor in respect of the Property;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor in respect of the Property;
 - (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 in respect of the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
 - (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
 - (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor in respect of the Property;
- (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 in respect of the Property; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. 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.

6. 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 relating to the Property, 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.

7. 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.

8. 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

9. 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 IN RESPECT OF THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor in respect of 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 in respect of the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. 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

12. 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 in respect of the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor in respect of the Property 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 in respect of the Property 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 in respect of the Property, 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

14. 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"). For greater certainty, all receipts in respect of the Real Property shall be deposited into the Post Receivership Accounts and all Permitted Disbursements (defined below) shall be drawn from the Post Receivership Accounts. "Permitted Disbursements" shall include, but shall not be limited to, realty taxes, utilities, payroll, insurance, maintenance expenses, other reasonable property-specific expenses, and business expenses associated with the Property. 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

15. 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

16. 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

17. 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

18. 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

19. 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.

20. 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.

21. 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

22. 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 \$200,000 (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.

23. 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.

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

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

SERVICE AND NOTICE

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

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.

GENERAL

28. 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.

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

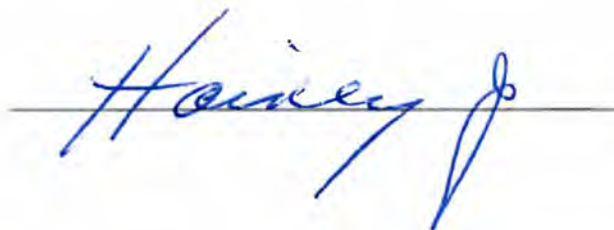
30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

31. 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.

32. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid

by the Receiver from the realizations from the Property with such priority and at such time as this Court may determine.

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



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

APR 26 2019

PER / PAR: *RW*

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "Receiver") of the Property, as such terms are defined in the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 2019 appointing the Receiver (the "Order") made in an application having Court file number CV-19-00613044-00CL, 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 _____, 20__.

RSM Canada Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

FIRST SOURCE FINANCIAL MANAGEMENT INC.
Applicant

-and- 2507448 ONTARIO INC.
Respondent

Court File No. CV-19-00613044-00CL

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

PROCEEDING COMMENCED AT
TORONTO

**AMENDED ORDER
(appointing Receiver)**

Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West
35th Floor
Toronto, ON M5V 3H1

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

Daniel Rosenbluth (LSUC# 71044U)
Tel.: 416.646.6307
email: daniel.rosenbluth@paliareroland.com

Fax: 416.646.4301

Lawyers for the Applicant

TAB B

Request ID: 022390785
 Transaction ID: 69997278
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/11/21
 Time Report Produced: 14:31:44
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2507448	2507448 ONTARIO INC.	2016/03/03
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
DEL TERRELONGE 581 WELLINGTON STREET WEST	NOT APPLICABLE	NOT APPLICABLE
TORONTO ONTARIO CANADA M5V 1J3	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
DEL TERRELONGE 581 WELLINGTON STREET WEST	Revival Date	Continuation Date
TORONTO ONTARIO CANADA M5V 1J3	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	In Ontario
	00001 00010	Date Ceased
Activity Classification		in Ontario
NOT AVAILABLE		NOT APPLICABLE

Request ID: 022390785
Transaction ID: 69997278
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/11/21
Time Report Produced: 14:31:44
Page: 2

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2507448	2507448 ONTARIO INC

Corporate Name History	Effective Date
2507448 ONTARIO INC	2016/03/03

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

Administrator: Name (Individual / Corporation)	Address
DEL TERRELONGE	97 BOULTON DRIVE TORONTO ONTARIO CANADA M4V 2V5

Date Began	First Director	Resident Canadian
2016/05/31	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

Request ID: 022390785
Transaction ID: 69997278
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/11/21
Time Report Produced: 14:31.44
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2507448	2507448 ONTARIO INC

Administrator: Name (Individual / Corporation)	Address
DEL TERRELONGE	97 BOULTON DRIVE TORONTO ONTARIO CANADA M4V 2V5

Date Began	First Director	
2016/05/31	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

Administrator: Name (Individual / Corporation)	Address
DEL TERRELONGE	97 BOULTON DRIVE TORONTO ONTARIO CANADA M4V 2V5

Date Began	First Director	
2016/05/31	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

Request ID: 022390785
Transaction ID: 69997278
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/11/21
Time Report Produced: 14:31:44
Page: 4

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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2507448

2507448 ONTARIO INC.

Last Document Recorded

Act/Code Description

Form

Date

CIA CHANGE NOTICE

1

2016/11/02 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

Request ID: 022390786
Transaction ID: 69997279
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/11/21
Time Report Produced: 14:31:44
Page: 1

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CORPORATION DOCUMENT LIST

Ontario Corporation Number
2507448

Corporation Name
2507448 ONTARIO INC.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	CHANGE NOTICE PAF: TERRELONGE, DEL	1	2016/11/02 (ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: TERRELONGE, DEL	1	2016/06/29
CIA	INITIAL RETURN PAF: COSTA, DIANNE	1	2016/06/15
BCA	ARTICLES OF INCORPORATION	1	2016/03/03 (ELECTRONIC FILING)

THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

ALL "PAF" (PERSON AUTHORIZING FILING) INFORMATION IS DISPLAYED EXACTLY AS RECORDED IN ONBIS. WHERE PAF IS NOT SHOWN AGAINST A DOCUMENT, THE INFORMATION HAS NOT BEEN RECORDED IN THE ONBIS DATABASE.

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

TAB C

Court File No. CV-19-00613044-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)
JUSTICE *P. H. R. Llo*)

Monday, THE
8th DAY OF *April*, 2019



FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

2507448 ONTARIO 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 (in such capacities, the "Receiver") without security, over the lands and premises municipally known as 581 Wellington Street West, Toronto, Ontario, having the legal description of PT LT 23 SEC L PL Military Reserve Toronto Parts 1, 14 & 15, 63R2301;

S/T & T/W CA540861 (the "Real Property"), owned by 2507448 Ontario Inc. (the "Debtor"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of David Mandel sworn January 22, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, and on reading the consent of the Debtor to the relief sought in this application, 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 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 the Real Property and for all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to the Real Property, including all proceeds thereof (together with the Real Property, the "Property").

3. The appointment of RSM Canada Limited as Receiver pursuant to paragraph 2 of this Order shall be effective on April ^{* 36 *} 16, 2019 (the "Appointment Date"), only in the event that the Applicant in this matter, First Source Financial Management Inc., gives written notice on the Appointment Date to the Respondent, 2507448 Ontario Inc., that all or part of the Mortgage¹ remains outstanding as of the Appointment Date. Such written notice may be given by the Applicant or its counsel to Del Terrelonge, authorized representative of the Respondent, by email to d@rhed-22.com.

¹ Being the mortgage loan from the Applicant in favour of the Respondent, secured by the Real Property, as more particularly described in the affidavit of David Mandel sworn January 22, 2019 in this proceeding.

RECEIVER'S POWERS

4. 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 and operate the Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, or cease to perform any contracts of the Debtor in respect of the Property;
- (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 in respect of the Property or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor in respect of the Property and to exercise all remedies of the Debtor in respect of the Property in collecting such monies,

- including, without limitation, to enforce any security held by the Debtor in respect of the Property;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor in respect of the Property;
 - (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 in respect of the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
 - (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
 - (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor in respect of the Property;
- (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 in respect of the Property; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. 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.

6. 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 relating to the Property, 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.

7. 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.

8. 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

9. 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 IN RESPECT OF THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor in respect of 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 in respect of the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. 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

12. 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 in respect of the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor in respect of the Property 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 in respect of the Property 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 in respect of the Property, 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

14. 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"). For greater certainty, all receipts in respect of the Real Property shall be deposited into the Post Receivership Accounts and all Permitted Disbursements (defined below) shall be drawn from the Post Receivership Accounts. "Permitted Disbursements" shall include, but shall not be limited to, realty taxes, utilities, payroll, insurance, maintenance expenses, other reasonable property-specific expenses, and business expenses associated with the Property. 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

15. 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

16. 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

17. 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

18. 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

19. 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.

20. 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.

21. 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

22. 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 \$200,000 (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.

23. 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.

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

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

SERVICE AND NOTICE

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

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.

GENERAL

28. 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.

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

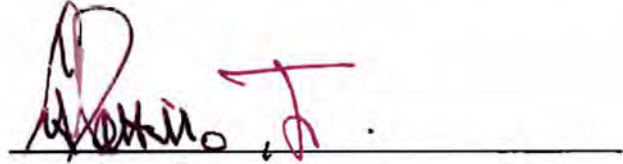
30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

31. 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.

32. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid


by the Receiver from the realizations from the Property with such priority and at such time as this Court may determine.

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



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

APR 08 2019

PER / PAR 

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "Receiver") of the Property, as such terms are defined in the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 2019 appointing the Receiver (the "Order") made in an application having Court file number CV-19-00613044-00CL, 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 _____, 20__.

RSM Canada Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

-and- 2507448 ONTARIO INC.

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

ORDER

Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West
35th Floor
Toronto ON M5V 3H1
Tel: 416.646.4300
Fax: 416.646.4301

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

Daniel Rosenbluth (LSO# 71044U)
Tel: 416.646.6307
daniel.rosenbluth@paliareroland.com

Lawyers for the Applicant

TAB D

From: Daniel.Rosenbluth@paliareroland.com <Daniel.Rosenbluth@paliareroland.com>
Sent: Friday, May 3, 2019 10:00 AM
To: d@rhed-22.com
Cc: Jeff.Larry@paliareroland.com; david@firstsourcemortgage.ca; swalters@firstsourcemortgage.ca; Weisz, Daniel <daniel.weisz@rsmcanada.com>; Wong, Brenda <brenda.wong@rsmcanada.com>
Subject: First Source Financial Management Inc. v. 2507448 Ontario Inc. - Court File No. CV-19-00613044-00CL [IWOV-PRiManage.FID339058]

Del,

In accordance with Pattillo J.'s order of April 8, 2019, as amended by Hainey J. on April 26, 2019 (the "Order," attached), this email constitutes formal notice on behalf of First Source Financial Management Inc. pursuant to paragraph 3 of the Order that all or part of the mortgage loan from First Source to 2507448 Ontario Inc. remains outstanding and as such, First Source is hereby exercising its right to appoint RSM Canada Ltd. as Receiver over the property municipally known as 581 Wellington St. W., Toronto, effective immediately.

Danny Weisz and Brenda Wong of RSM are copied on this email. I understand that the Receiver will shortly be attending at the property to change the locks etc., and I suggest that you contact them directly to make arrangements to retrieve any personal belongings and to address any other related logistics.

I understand that the Receiver may be willing to hold off on listing the property for a short period of time in the event that you are able to close the refinancing and I encourage you to continue to work diligently to do so.

Regards

Dan

Dan Rosenbluth
Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West, 35th floor
Toronto ON M5V 3H1
t: 416.646.6307
f: 416.646.4301
e: dan.rosenbluth@paliareroland.com

T A B E



RSM Canada Limited

100 King Street West

Toronto, Ontario M5X 1C5

Canada

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 the Property defined below.

The receiver gives notice and declares that:

1. On the 3rd day of May, 2019, the undersigned RSM Canada Limited was appointed as receiver (the "**Receiver**") without security, over the lands and premises municipally known as 581 Wellington Street West, Toronto, Ontario (the "**Property**"), owned by 2507448 Ontario Inc. (the "**Debtor**").
2. The undersigned became a receiver in respect of the Property by virtue of being appointed by order of the Ontario Superior Court of Justice dated April 26, 2019, which became effective on May 3, 2019.
3. The undersigned commenced the exercise of its powers in respect of that appointment on the 3rd day of May, 2019.
4. The following information relates to the receivership:
 - a) Registered Office Address of the Property: not applicable
 - b) Principal line of business of the Property: two story mixed use commercial building located at 581 Wellington Street West, Toronto, Ontario
 - c) The amounts owed to creditors who appear to hold a security interest on the Property described above include:

First Source Financial Management Inc.	\$3,500,000.00
Olympia Trust Company – Monica Goyal	\$575,000.00
Zaherali Visram	\$2,240,750.00

- d) The list of creditors relating to the Property and the amount owed to each creditor relating to the Property is attached. This list has been compiled based on information available or provided to the Receiver 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.

May 13, 2019
Page 2

- e) The plan of the Receiver is to market and sell the Property.
- f) Contact person for the Receiver:

Brenda Wong
RSM Canada Limited
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario M5H 4C7
Telephone: (647) 727-3621
Facsimile: (416) 480-2646
E-mail: brenda.wong@rsmcanada.com

- g) Additional information: A copy of the receivership order will be posted on the Receiver's website. Other pertinent public information will be posted to the website as that information becomes available.

Dated at Toronto this 13th day of May, 2019.

RSM CANADA LIMITED

In its capacity as Court Appointed Receiver of 581
Wellington St. West, Toronto, Ontario, and not in its
personal or corporate capacity



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

**RSM Canada Limited
In the Matter of the Receivership of
581 Wellington Street West Toronto, Ontario**

LIST OF CREDITORS

Secured

First Source Financial Management Inc.	\$	3,500,000.00
Olympia Trust Company and Monica Goyal		575,000.00
Zaherali Visram		2,240,750.00
	\$	6,315,750.00

Unsecured

To be determined

Supplementary Mailing List

Computershare Trust Company
 2507448 Ontario Inc.
 Paliare Roland Rosenberg Rothstein LLP

Department of Justice Canada, Attn: Diane Winters
 Office of the Superintendent of Bankruptcy

194 194 194

TAB F

Request ID: 023319512
Transaction ID: 72374774
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/07/10
Time Report Produced: 11:59:13
Page: 1

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1586091	1586091 ONTARIO LIMITED	2003/08/29
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
97 BOULTON DRIVE		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
581 WELLINGTON ST W		2009/10/26
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification	Number of Directors	
NOT AVAILABLE	Minimum	
	Maximum	
	00001	
	00001	

Request ID: 023319512
Transaction ID: 72374774
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/07/10
Time Report Produced: 11:59:13
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1586091	1586091 ONTARIO LIMITED

Corporate Name History	Effective Date
1586091 ONTARIO LIMITED	2003/08/29

Current Business Name(s) Exist:	YES
Expired Business Name(s) Exist:	YES - SEARCH REQUIRED FOR DETAILS

Administrator: Name (Individual / Corporation)	Address
DEL H TERRELONGE	97 BOULTON DRIVE TORONTO ONTARIO CANADA M4V 2V5

Date Began	First Director	Resident Canadian
2003/08/29	YES	
Designation	Officer Type	
DIRECTOR		Y

Request ID: 023319512
Transaction ID: 72374774
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/07/10
Time Report Produced: 11:59:13
Page: 3

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1586091	1586091 ONTARIO LIMITED

Last Document Recorded		Form	Date
Act/Code	Description		
CIA	ANNUAL RETURN 2016	1C	2018/09/23 (ELECTRONIC FILING)

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

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

Request ID: 023319510
Transaction ID: 72374770
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/07/10
Time Report Produced: 12:01:44
Page: 1

BUSINESS NAMES REPORT

**Business name registered under
the *Business Names Act***

RHED

Business Identification Number

250378510

Business Type

BUSINESS NAME - CORPORATION

Mailing Address

581 WELLINGTON ST WEST
TORONTO
ONTARIO
CANADA, M5V 1G3

Business Address in Ontario

581 WELLINGTON ST WEST
TORONTO
ONTARIO
CANADA, M5V 1G3

Activity being carried out

DESIGN CONSULTING

Registration Date

2015/04/16

Expiry Date

2020/04/15

Renewal Date

NOT APPLICABLE

Amendment Date(s)

NOT APPLICABLE

Last Document Filed

NEW REGISTRATION

Cancellation Date

NOT APPLICABLE

Last Document Filed Date

2015/04/16

Request ID: 023319510
Transaction ID: 72374770
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/07/10
Time Report Produced: 12:01:44
Page: 2

BUSINESS NAMES REPORT

**Business name registered under
the *Business Names Act***

RHED

Business Identification Number

250378510

Business Type

BUSINESS NAME - CORPORATION

Corporation Name

1586091 ONTARIO LIMITED

Corp. Registered/Head Office Address

97 BOULTON DRIVE

TORONTO
ONTARIO
CANADA, M4V 2V5

Corporate Number

1586091

Jurisdiction of Corporation

ONTARIO

Corporation Status

ACTIVE

Person Authorizing the Registration

TERRELONGE,
DEL

This Report sets out the most recent information registered on or after April 1, 1994 and recorded in the Ontario Business Information System as of the last business day.

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

TAB G

COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Lease") is made and effective November 1, 2017, by and between 2507448 Ontario Inc. ("Landlord") and rhed 1586091 Ontario Limited O/A rhed ("Tenant").

Landlord is the owner of land and improvements commonly known and numbered as 581 Wellington Street West, Toronto, ON, M5V 1G3 and legally described as follows (the "Building"); PIN 21241-0114 Part of Lot 23, Section L, Plan Military Reserve, Designated as Parts 1, 14 & 15, Plan 63R-2301, City of Toronto, Province of Ontario.

Landlord makes available for lease a portion of the Building designated as the 2nd Floor Unit of 581 Wellington Street West, Toronto, ON M5V 1G3 (the "Leased Premises"). Please refer to attached Floor Plan Schedule A - Part 1.

Landlord desires to lease the Leased Premises to Tenant, and Tenant desires to lease the Leased Premises from Landlord for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

1. Term

A. Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the same from Landlord, for an "Initial Term" beginning November 1, 2017 and ending October 31, 2021. Landlord shall use its best efforts to give Tenant possession as nearly as possible at the beginning of the Lease term. If Landlord is unable to timely provide the Leased Premises, rent shall abate for the period of delay.

B. Tenant may renew the Lease for one extended term of 2 Years. Tenant shall exercise such renewal option, if at all, by giving written notice to Landlord not less than ninety (90) days prior to the expiration of the Initial Term. The renewal term shall be at the rental set forth below and otherwise upon the same covenants, conditions and provisions as provided in this Lease.

2. Rental

A. Tenant shall pay to Landlord during the Initial Term rental of \$36,000 per year, payable in installments of \$3,000 per month inclusive of all extras, utilities and taxes. Each installment payment shall be due in advance on the first day of each calendar month during the lease term to the Landlord at 581 Wellington Street West, Toronto, ON M5V 1G3 or at such other place designated by written notice from Landlord or Tenant. The rental payment amount for any partial calendar months included in the lease term shall be prorated on a daily basis. Tenant shall also pay to Landlord a "Security Deposit" in the amount of \$3,000.

B. The rental for any renewal lease term, if created as permitted under this Lease, shall be \$48,000 per year payable in installments of \$4,000 per month.

C. Rental Set Off Provisions. The Tenant is a design and consultancy agency operating as a sole entity distinct from the Landlord. rhed (the Tenant) as the consultant has been contracted by the Landlord to provide Architectural and Design Services for the Landlord for the development of the property located at 581 Wellington Street West, Toronto, ON M5V 1G3. When applicable, in lieu of the fees owed for design services rendered, The Landlord agrees the provide the Tenant with a rent abatement schedule whereby amounts due for rent will be set off against fees for architectural design and consulting services. The rent abatement program will be applicable for the duration of the lease and extended portion of the lease until all outstanding fees due to the Tenant have been paid in full. Please refer to Schedule A - Part 2 as an addendum to the lease.

3. Use

Design Office. Notwithstanding the forgoing, Tenant shall not use the Leased Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device. The premises are strictly for the purposes of a commercial design studio office.

4. Sublease and Assignment

Tenant shall have the right without Landlord's consent, to assign this Lease to a corporation with which Tenant may merge or consolidate, to any subsidiary of Tenant, to any corporation under common control with Tenant, or to a purchaser of substantially all of Tenant's assets. Except as set forth above, Tenant shall not sublease all or any part of the Leased Premises, or assign this Lease in whole or in part without Landlord's consent, such consent not to be unreasonably withheld or delayed.

5. Repairs

During the Lease term, Tenant shall make, at Tenant's expense, all necessary repairs to the Leased Premises. Repairs shall include such items as routine repairs of floors, walls, ceilings, and other parts of the Leased Premises damaged or worn through normal occupancy, except for major mechanical systems or the roof, subject to the obligations of the parties otherwise set forth in this Lease. This is not to be construed with any of the costs of the building development and project construction, all such costs are separate and apart from the Tenant and all costs to be borne solely by the Landlord.

6. Alterations and Improvements

Tenant, at Tenant's expense, shall have the right following Landlord's consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Tenant may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant thereafter, shall remain the Tenant's property free and clear of any claim by the Landlord and subsequent encumbrances. Tenant shall have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Tenant at Tenant's expense.

7. Property Taxes

Landlord shall pay, prior to delinquency, all general real estate taxes and installments of special assessments coming due during the Lease term on the Leased Premises, and all personal property taxes with respect to Landlord's personal property, if any, on the Leased Premises.

8. Insurance

A. If the Leased Premises or any other party of the Building is damaged by fire or other casualty resulting from any act or negligence of Tenant or any of Tenant's agents, employees or invitees, rent shall not be diminished or abated while such damages are under repair, and Tenant shall not be responsible for the costs of repair that are not covered by Landlord's insurance.

B. Landlord shall maintain fire and extended coverage insurance on the Building and the Leased Premises in such amounts as Landlord shall deem appropriate.

C. Tenant shall rely on the Landlord at the Landlord's own expense, to maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the Building with the premiums thereon fully paid on or before due date, issued by and binding upon some insurance company provided and paid by the Landlord, such insurance to afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. Tenant shall be listed as an additional insured on Landlord's policy or policies of comprehensive general liability insurance, and Landlord shall provide Tenant with current Certificates of Insurance evidencing Landlord's compliance with this Paragraph.

9. Utilities

Landlord shall pay all charges for water, sewer, gas, electricity, and other services and utilities used by Tenant on the Leased Premises during the term of this Lease. Tenant acknowledges that the Leased Premises are designed to provide standard office use electrical facilities and standard office lighting. Tenant shall not use any equipment or devices that utilizes excessive electrical energy or which may, in Landlord's reasonable opinion, overload the wiring or interfere with electrical services to other tenants.

10. Signs

Tenant shall have the right to place on the Leased Premises, at locations selected by Tenant, any signs which are permitted by applicable zoning ordinances and private restrictions.

11. Entry

Landlord shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same, provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Leased Premises.

12. Parking

During the term of this Lease, Tenant shall have the non-exclusive use in common with Landlord, other tenants of the Building, their guests and invitees, of the non-reserved common automobile parking areas, driveways, and footways, subject to rules and regulations for the use thereof as prescribed from time to time by Landlord. Tenant shall provide Landlord with a list of all license numbers for the cars owned by Tenant, its agents and employees. Separated structured parking, if any, located about the Building is reserved for tenants of the Building who rent such parking spaces. Tenant hereby leases from 3 spaces in such structural parking area, such spaces to be on a first come-first served basis and included in the monthly cost of the lease as set out in the terms in Section 2 under Rental.

13. Building Rules

Tenant will comply with the rules of the Building adopted and altered by Landlord from time to time and will cause all of its agents, employees, invitees and visitors to do so; all changes to such rules will be sent by Landlord to Tenant in writing. The initial rules for the Building are attached hereto as Schedule A - Part 3, and incorporated herein for all purposes.

14. Damage and Destruction

Subject to Section 8 A. above, if the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purposes, then Tenant shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Landlord.

15. Default

If default shall at any time be made by Tenant in the payment of rent when due to Landlord as herein provided, and if said default shall continue for fifteen (15) days after written notice thereof shall have been given to Tenant by Landlord, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant by Landlord without correction thereof then having been commenced and thereafter diligently prosecuted, Landlord may declare the term of this Lease ended and terminated by giving Tenant written notice of such intention, and if possession of the Leased Premises is not surrendered, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenant default, either in law or equity. Landlord shall use reasonable efforts to mitigate its damages. Notwithstanding the above, if any of the Set Off rents are applicable to the payment of rent, the Landlord, its heirs, transferees, subsequent encumbrances, shall not have the right to terminate this lease until all outstanding fees due to the Tenant by the Landlord for services rendered under the Tenants design consultancy contract are completely paid in full.

16. Quiet Possession

Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease.

17. Condemnation

If any legally, constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority which determine the condemnation takes possession, and Landlord and Tenant shall account for the rental as of that date. Such termination shall not be without prejudice to the rights of the Tenant to recover compensation from the Landlord for any loss or damage caused by the condemnation.

18. Security Deposit

The Security Deposit shall be held by Landlord without liability for interest and as security for the performance by Tenant of Tenant's covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of rental or a measure of Landlord's damages in case of default by Tenant. Unless otherwise provided by mandatory non-waivable law or regulation, Landlord may commingle the Security Deposit with Landlord's other funds. Landlord may, from time to time, without prejudice to any other remedy, use the Security Deposit to the extent necessary to make good any arrearages of rent or to satisfy any other covenant or obligation of Tenant hereunder. Following any such application of the Security Deposit, Tenant shall pay to Landlord on demand the amount so applied in order to restore the Security Deposit to its original amount. If Tenant is not in default at the termination of this Lease, the balance of the Security Deposit remaining after any such application shall be returned by Landlord to Tenant. If Landlord transfers its interest in the Premises during the term of this Lease, Landlord may assign the Security Deposit to the transferee and thereafter shall have no further liability for the return of such Security Deposit.

19. Notice

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by registered mail addressed as follows:

If to Landlord to:

2507448 Ontario Inc.
581 Wellington Street West
Toronto, Ontario M5V 1G3

If to Tenant to:

1586091 Ontario Limited D/A rhed
97 Boulton Drive
Toronto, ON M4V 2V5

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

20. Brokers

Tenant represents that Tenant was not shown the Premises by any real estate broker or agent and that Tenant has not otherwise engaged in, any activity which could form the basis for a claim for real estate commission, brokerage fee, finder's fee or other similar charge, in connection with this Lease.

21. Waiver

No waiver of any default of Landlord or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

22. Memorandum of Lease

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Landlord and Tenant shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

23. Headings

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

24. Successors

The provisions of this Lease shall extend to and be binding upon Landlord and Tenant and their respective legal representatives, successors and assigns.

25. Consent

Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.

26. Performance

If there is a default with respect to any of Landlord's covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from Tenant to Landlord specifying the default, Tenant may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder until Tenant shall have been fully reimbursed for such expenditures, together with interest thereon at a rate equal to the lessor of twelve percent (12%) per annum or the then highest lawful rate. If this Lease terminates prior to Tenant's receiving full reimbursement, Landlord shall pay the unreimbursed balance plus accrued interest to Tenant on demand. Please refer to Section 2C Rental Set Off Provisions.

27. Compliance with Law

Tenant shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Tenant's use of the Leased Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

28. Final Agreement

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.



 Landlord
 2507448 Ontario Inc.
 President- Del Terrelonge



 Tenant
 1586091 Ontario Limited O/A rhed
 General Design and Mangement Administration - Jaime Vega

Date: November 1, 2017

Date: November 1, 2017

TAB H

MASTER LEASE AGREEMENT

MADE November 1, 2017

BETWEEN:

2507448 ONTARIO INC.
an Ontario corporation,
(hereinafter called "Lessee")

- and -

1586091 ONTARIO LIMITED O/A RHED
an Ontario corporation,
(hereinafter called "Lessor"),

TERMS OF AGREEMENT:

1. DEFINITIONS. In this Agreement:

- a) "Commencement Date" means the date on which the Equipment shall have been delivered to Lessee and installed at the Premises, that the Equipment is in accordance with the specifications of Lessee, properly installed and working for all purposes of the Lease Schedule;
- b) "Equipment" means property equipment and fixtures listed or described in any Lease Schedule, or any component or accessory of that property and any replacements therefor made in accordance with paragraph 6;
- c) "Expected Fair Market Value" means the amount that would be attainable in an arms length transaction of purchase and sale of equipment between an informed and willing buyer/user and an informed and willing seller under no compulsion to sell;
- d) "Lease Schedule" means any agreement entered into by Lessor and Lessee that provides for the leasing of Equipment and which incorporates by reference the terms and conditions of this Master Lease Agreement, including any lease schedule in the form attached hereto as Schedule 1;
- e) "Rent" means any amount set forth or referred to in a Lease Schedule as payable in respect of the Equipment described therein.

2. LEASE. Lessor agrees to lease the Equipment to Lessee and Lessee agrees to lease the Equipment from Lessor, such lease to be evidenced by the execution and delivery of a Lease Schedule.

3. RENT. In consideration of the lease of Equipment, Lessee shall pay to Lessor Rent commencing on the date specified in each Lease Schedule ("Commencement Date"), regardless of the date of actual Equipment delivery to Lessee, Equipment installation or the date of acceptance thereof. Rent shall be payable monthly in arrears on or before the 10th of each calendar month for the calendar month immediately preceding the date of payment, throughout the period specified in each applicable Lease Schedule. Payment of all Rent shall be made to Lessor at the address set out in each Lease Schedule, or as otherwise directed by Lessor in writing.

4. TERM. With respect to each Lease Schedule:

- a) the term of that Lease Schedule shall commence on the Commencement Date pertaining thereto and shall continue for the period specified therein; and
- b) the Lease Schedule cannot be cancelled or terminated except as expressly provided herein.

5. ALLOCATION OF RISK. The only obligation of Lessor hereunder is to provide to Lessee the right, as against Lessor and those claiming through Lessor, to maintain possession and use of the Equipment for the full term of the Lease Schedule pertaining thereto. Accordingly:

- a) the obligation of Lessee to pay Rent without abatement or set-off is unconditional in all circumstances and shall not be affected by any reason whatsoever, including, without limitation, by reason of any defect in or any damage to or partial loss or total loss or destruction of all or any part of the Equipment from any cause, the interference with use by any person claiming otherwise than through Lessor, the improper installation of the Equipment, the failure of the Equipment to operate, the failure of the Equipment to perform to its specifications, or the invalidity or unenforceability or lack of due authorization of the Lease Schedule;
- b) Lessor makes no representations or warranties with respect to the Equipment and there are no representations, warranties or conditions, express or implied, statutory or otherwise as to any matter whatsoever including, without limitation, the quality of the material or workmanship or the condition, design, durability, merchantability or fitness for the particular purpose of the Equipment, the conformity of the Equipment to the provisions and specifications of any purchase order relating to the Equipment, the absence of liens, charges and encumbrances in respect thereof, other than liens, charges and encumbrances created by Lessor, or the ability of the Equipment to perform the requirements of Lessee; and
- c) the Equipment shall be deemed conclusively to have been delivered to Lessee in good and efficient working order and repair and Lessee shall be deemed conclusively to have accepted delivery for all purposes.

6. LOCATION AND USE OF EQUIPMENT. Lessee shall not permit the Equipment to be operated by other than competent and duly qualified personnel in accordance with applicable government regulations, if any. Lessee shall use the Equipment for business

purposes only and shall not change the location of any item of Equipment without prior written consent of Lessor. Lessee shall have quiet possession of the Equipment. Lessee shall maintain the Equipment in good working order and available for use in accordance with all its functionality, throughout the Term, including repair or replacement of any parts that shall require replacement or repair.

7. OWNERSHIP.

a) Interest of Lessor. No right, title or interest in the Equipment shall pass to Lessee other than, conditional upon Lessee's compliance with and fulfillment of the terms and conditions of the Lease Schedule, the right to maintain possession and use of the Equipment for the full lease term. At the request of Lessor, Lessee shall cause plates or markings to be affixed to or placed on one or more items of the Equipment indicating that Lessor is the owner.

b) Personal Property. The Equipment is and shall be at all times during the term of any applicable Lease Schedule personal or moveable property, regardless of the way in which it may be attached to any real estate. Lessee shall take such action, including the obtaining and registration of waivers, at its own expense as may be reasonably necessary to prevent any person from acquiring any right or interest in the Equipment by virtue of the Equipment being deemed to be real or immovable property or a part of any real or immovable property or to be a fixture; and if at any time any person shall claim such a right or interest, Lessee shall at its own expense obtain a written waiver of claim or otherwise eliminate the claim to the satisfaction of Lessor within 15 days after the claim first becomes known to Lessor. Lessee undertakes to promptly inform Lessor of any such claim of which Lessee shall become aware during the term of any Lease Schedule.

8. LIENS, ENCUMBRANCES, ETC. Lessee shall not directly or indirectly create any mortgage, pledge, lien, attachment, charge, encumbrance or any other right whatsoever on or with respect to the Equipment, or any interest therein.

9. INDEMNITY. Lessee agrees to indemnify and save harmless Lessor, and its agents, servants, officers and directors, its assignee or secured party from and against any and all liabilities, obligations, losses, damages, penalties, claims, costs, expenses, including legal expenses, of any kind whatsoever arising from or relating to the manufacture, order, acceptance or rejection, purchase, ownership, delivery, lease possession, use, importation, installation, condition, sale, return or other disposition of the Equipment, any claim relating to any latent or other defects, whether or not discoverable by Lessee, any claim in tort for strict liability and any claim for patent, trademark, design or copyright infringement. Lessee agrees to give Lessor prompt notice of any matter hereby indemnified against. These indemnities shall become effective from the date of execution of each Lease Schedule, and shall continue in full force and effect notwithstanding the termination of any Lease Schedule.

10. LOSS OR DESTRUCTION. Lessee assumes the entire risk of loss, theft destruction or damage to the Equipment or any part thereof due to any cause whatsoever during the term of

each Lease Schedule and until the Equipment is returned to Lessor. Where any of the events described in this paragraph 10 occur, or if the use by Lessee of any Equipment is substantially impaired by any third party for a period of more than ten days, Lessee shall promptly give Lessor written notice of such event, and shall promptly pay to Lessor the aggregate unpaid Rent payments for the remaining Term of the applicable Lease Schedule with respect to the Equipment effected.

11. INSURANCE. Lessee shall obtain and maintain for the term of each Lease Schedule, at its own expense, property damage and liability insurance, and insurance against loss or damage to all Equipment and including, without limitation, loss by fire (including extended coverage), theft, collision and other such risks of loss that are customarily insured by "all risk" policies on a similar type of equipment and by prudent operators of such equipment, and in such amounts, in such form, and with such insurers as shall be satisfactory to Lessor; provided, however, that the amount of insurance covering damage to or loss of the Equipment shall not be less than the full replacement cost of the Equipment. Each insurance policy shall name Lessee as an insured and Lessor or its assignee as an additional insured, and loss payee thereof, and shall require the insurer to give Lessor at least thirty days prior written notice of any alteration in the terms of such policy or of the cancellation thereof. At Lessor's request, Lessee shall furnish to Lessor a certificate of insurance or other evidence satisfactory to Lessor that such insurance coverage is in effect, provided, however, that Lessor shall be under no duty either to ascertain the existence of or to examine such insurance policy or to advise Lessee in the event such insurance coverage shall not comply with the requirements hereof. Upon failure of Lessee to provide evidence of insurance satisfactory to Lessor, Lessor may purchase or otherwise provide such insurance and the cost thereof to Lessor shall be payable by Lessee on demand. Lessee hereby appoints Lessor its agent and attorney to make claims and receive payment in accordance with the provisions of such policies. Lessee agrees to give Lessor prompt notice of any damage to or any loss of the Equipment or any part thereof.

12. TAXES. Lessee agrees to pay when due, or reimburse and indemnify and hold Lessor harmless from and against all sales, use, property and other taxes, permits, assessments or charges of any nature whatsoever, together with any related interest or penalties, now or hereafter imposed against the Equipment or its use, or imposed with respect to the Equipment against Lessor or Lessee or against the Rents or other amounts payable under each Lease Schedule, excepting any taxes based on or measured by the taxable income of Lessor, by any federal, provincial or municipal government authority. If Lessor chooses to pay any fees, taxes or other lawful charges upon failure of Lessee to make such payments, such payments by Lessor shall, at Lessor's option, become immediately due from Lessee. The indemnities contained in this paragraph shall survive the termination of this Master Lease Agreement and each Lease Schedule.

13. RETURN OF THE EQUIPMENT. Upon termination of any Lease Schedule for any reason whatsoever, Lessee, at its own risk, shall return all Equipment leased thereunder forthwith to Lessor at its address indicated herein or as may be designated by Lessor by notice to Lessee. Lessee shall bear all expenses in connection with the return of the Equipment

including, without limitation, expenses of dismantling, packing, crating, loading, rigging, transporting, drayage and insurance but Lessee shall not bear any expenses in connection with de-crating or installing the Equipment at the address designated. Without otherwise limiting Lessee's obligations hereunder, Lessee shall arrange, at its expense, to have the Equipment de-installed, packed and crated by competent personnel. Lessee shall ensure that, upon return of the Equipment, it shall be in good working order and in a condition acceptable to Lessor, acting reasonably, and Lessee shall assume any costs incurred to have the Equipment returned to good working order. Lessee agrees that any name or other identification of Lessee shall be removed from the Equipment upon its return and that such Equipment shall be in the same condition as delivered to Lessee hereunder, ordinary wear and tear excepted, and free and clear of all liens and encumbrances.

14. DEFAULT BY LESSEE. The occurrence of any one of the following events shall constitute default by Lessee under the Lease Schedule:

- a) failure by Lessee to make any payment of Rent within five days following the date upon which that payment is due;
- b) failure by Lessee to make any other payment or perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder;
- c) any representation or warranty made by Lessee herein, or any document or certificate furnished to Lessor in connection with or pursuant to a representation or warranty made by Lessee herein, or any document or certificate furnished to Lessor in connection with or pursuant to the Lease Schedule appears at any time to be incorrect in any material respect;
- d) Lessee becomes insolvent or bankrupt or makes an assignment for the benefit of creditors or consents to the appointment of a trustee or receiver, or a trustee or receiver is appointed for Lessee or for any part of its property without its consent and is not dismissed within a period of fifteen days, or where bankruptcy, reorganization or insolvency proceedings are instituted by Lessee upon itself or against Lessee by another person, and if instituted against Lessee, are not dismissed within a period of fifteen days, or Lessee becomes subject to proceedings under the Companies' Creditors Arrangement Act, the Winding-Up Act or any other act for the benefit of creditors;
- e) Lessee is unable to pay its debts as they fall due;
- f) Lessee commits any other act of bankruptcy or does or omits to do any other thing in furtherance of the purposes in clauses 14 d) or e);
- g) Lessee ceases, or it is reasonable to conclude that Lessee intends to cease to carry on business;
- h) Lessee voluntarily or involuntarily parts with possession of the Equipment or any part thereof;

i) all or any part of the Equipment is, or is in imminent danger of being confiscated, attached, sequestered or seized under legal process; or

j) Lessee creates or permits any lien or encumbrance on the Equipment and fails to remove same within five days thereof.

15. REMEDIES OF LESSOR UPON DEFAULT. Upon the occurrence of any one or more of the events of default provided in paragraph 14, Lessee shall be presumed to have repudiated the this Agreement and Lessor, at its option, may terminate the lease and/or do any or all of the following:

a) take immediate possession of the Equipment without any court order or other process of law, and for such purpose Lessor may enter upon the premises of Lessee or of any other person where the Equipment may be located and remove the Equipment, whether it is affixed to realty or not, without liability to Lessor therefor, whether for damage to property, or any other reason whatever, and for such purposes Lessee authorizes Lessor to enter upon any premises where the Equipment may be located and agrees to indemnify and save harmless Lessor from any claim by a third party arising from such entry and repossession;

b) sell or lease the Equipment at private or public sale or re-lease for such consideration and on such terms as Lessor in its own discretion, and acting in good faith, may determine, without notice to Lessee or advertisement; and

c) demand and recover all amounts which are at the time of the default, owing by Lessee to Lessor or which may become owing pursuant to the terms and conditions hereof.

The remedies provided in this paragraph 15 are cumulative and may be exercised exclusively or concurrently. Such remedies are in addition to and not in substitution for any other remedy which is otherwise available to Lessor in law or at equity. The provisions of this paragraph shall survive the termination of this Master Lease Agreement and each Lease Schedule.

16. LATE CHARGE. In the event that Rent remains unpaid for more than five days following the day on which it is due, Lessee shall also pay on demand, as a late charge, interest calculated daily from the date the payment is due at a rate of 5% per annum, compounded monthly, on the outstanding Rent or part thereof.

17. ADDITIONAL EQUIPMENT. Lessee may from time to time add parts, components or accessories not leased hereunder to any Equipment provided that such addition does not impair the value, merchantability or utility of the Equipment or affect any warranty relating thereto. Any parts, components or accessories so added to the Equipment shall remain the property of Lessee or other owner thereof and may be removed by Lessee at any time prior to the termination of the Lease Schedule with respect to the Equipment, provided that such parts, components or accessories are not required to be added as a replacement pursuant to paragraph 6, that such removal does not impair the value, merchantability or utility of any

Equipment, and that no event of default hereunder shall have occurred and be continuing. Any parts, components or accessories not so removed upon the termination of the Lease Schedule for such Equipment shall be the property of Lessor.

18. ASSURANCES. Lessee shall promptly and duly execute and deliver to Lessor such further documents and assurances and take such further action as Lessor may from time to time request in order to more effectively carry out the intent and purpose hereof and to establish and protect the rights, interests and remedies intended to be created in favour of Lessor hereby, including without limitation:

- a) the filing and recording of the Lease Schedule, including any amendment thereto, any financing or renewal statement or bill of sale with respect thereto, in accordance with the laws of any applicable jurisdictions; and
- b) the taking of such further action as Lessor may deem desirable to fully protect Lessor's interest hereunder.

19. ASSIGNMENT. Without prior written consent of Lessor, Lessee shall not assign any of its rights under the this Master Lease Agreement or any Lease Schedule or sublet the Equipment in whole or in part or permit any of the Equipment to be in the possession of anyone other than Lessee. Lessor may at any time without notice to Lessee, but subject to the rights of Lessee hereunder, transfer or assign this Agreement, each any Lease Schedule, any Equipment or any Rent or other monies or benefits due or to become due hereunder.

20. AGREEMENT BINDING. This Master Lease Agreement and each Lease Schedule shall be binding upon and enure to the benefit of the parties hereto, their permitted successors and assigns.

21. WAIVER BY LESSOR. No term or condition of this Master Lease Agreement or any Lease Schedule can be waived except by written consent of Lessor, and forbearance or indulgence by Lessor in any regard whatsoever shall not constitute waiver of any term or condition to be performed by Lessee. No waiver by Lessor of a default by Lessee shall constitute a waiver of any other default by Lessee or waiver of Lessor's rights.

22. LIMITATION OF LIABILITY. Notwithstanding anything contained herein, Lessor shall not be liable for any indirect, special or consequential damages including, without limitation, loss of profits or revenues arising out of the Lease Schedule, or the use of the Equipment.

23. HEADINGS. Insertion of headings in this Master Lease Agreement and each Lease Schedule is for convenience of reference only and shall not affect the interpretation thereof.

24. GOVERNING LAW. This Master Lease Agreement and each Lease Schedule shall be interpreted and enforced in accordance with the laws of the province of Ontario. Any provision of this Master Lease Agreement or any Lease Schedule which is unenforceable shall be ineffective to the extent of such unenforceability without invalidating the remaining.

25. NOTICES. All demands or notices hereunder shall be in writing and shall become effective and be deemed to have been given when delivered to the other party or alternatively when deposited in a post office with proper postage for ordinary mail prepaid, addressed to the party at its address shown on the Lease Schedule or at other such address as such party may designate by written notice.

26. TIME OF THE ESSENCE. Time shall be of the essence of this agreement.

27. INSPECTION. Lessee agrees that Lessor or its agents may at all times inspect the Equipment and the books, manuals and records of Lessee relative thereto. Upon request of Lessor, Lessee shall at all reasonable times during business hours make the Equipment, books records and manuals available for inspection at the place where the Equipment is located. Lessee agrees that Lessor has no duty to make any such inspection, and shall not incur any liability by reason of not making an inspection.

28. ENTIRE AGREEMENT. This Master Lease Agreement together with each Lease Schedule incorporated by reference constitute the entire agreement between the parties with respect to the Equipment and supersede all prior agreements and understandings, oral or written, with respect thereto. No agreements or understandings shall be binding on either of the parties unless in writing and executed by authorized representatives of both parties.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date above written.

2507448 ONTARIO INC.



Del Terrelonge – President

1586091 ONTARIO LIMITED



Jaime Vega
on behalf on 1586091 ONTARIO LIMITED

Schedule 1
LEASE SCHEDULE

MADE November 1, 2017

BETWEEN:
2507448 ONTARIO INC.
an Ontario corporation,
(hereinafter called "Lessee")

- and -

1586091 ONTARIO LIMITED O/A RHED
an Ontario corporation,
(hereinafter called "Lessor"),

LESSEE ADDRESS: 581 Wellington Street West, Toronto, Ontario M5V 1G3

INSTALLATION ADDRESS: as above

1. Commencement Date shall be the date the equipment is delivered and installed at the Lessee premises.
2. The term of the lease for the Equipment covered by this Lease Schedule shall commence on the Commencement Date specified above and shall continue for a period of 60 months and thereafter until the final monthly payment of Rent hereunder shall have been paid to Lessor.
3. As Rent, Lessee agrees to pay to Lessor sixty monthly payments in the amount of \$5,000.00 per month, on or before the 10th of each month during the term hereof.
4. The Equipment identified in the attached EXHIBIT A is hereby leased upon the terms herein and on the terms and conditions set out in the Master Lease Agreement between these parties dated November 1, 2017 which shall form part hereof and is specifically incorporated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Schedule through their proper officers, duly authorized for that purpose, this 1st day of November, 2017.

2507448 ONTARIO INC.

1586091 ONTARIO LIMITED



Del Terrelonge – President

Jaime Vega
on behalf on 1586091 ONTARIO LIMITED

Exhibit A
ITEMS LEASED

November 1, 2017

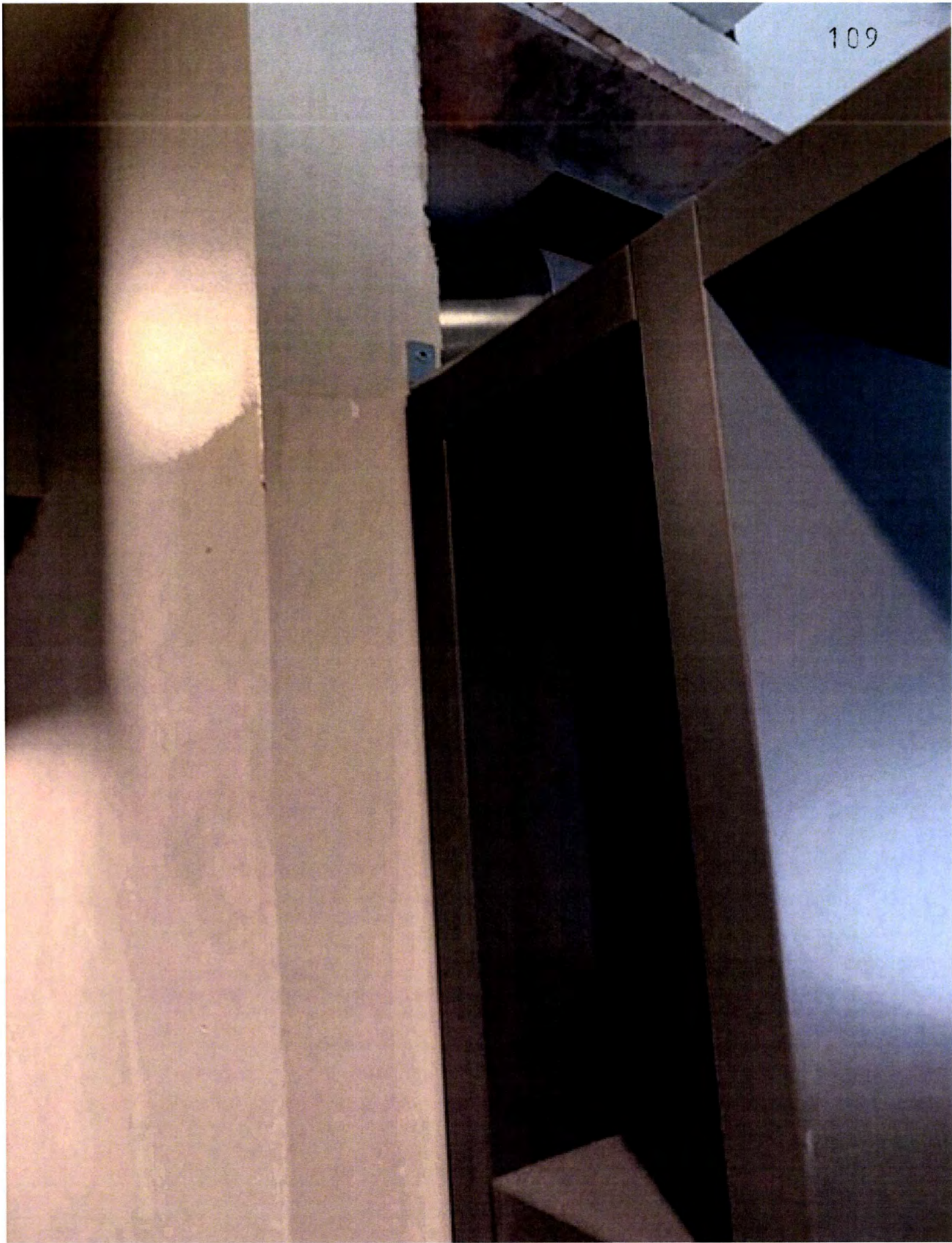
<u>Custom Poliform Millwork Cabinetry</u>	\$ 875,000.00
2 Bedrooms - ground floor	
2 Kitchens - ground and third Floor	
2 Bedrooms - third floor	
Spa - Ground Floor	
<u>Custom Kitchen Island</u>	\$ 65,000.00
ground floor	
<u>Lighting Fixtures</u>	\$ 225,000.00
Chandeliers - ground and second Floor	
Fluorescent Lighting - ground and second Floor	
Custom Lighting - ground and second Floor	
3rd Floor Lighting	
<u>Interior Tile</u>	\$ 115,000.00
Wall and Floor Tile - all floors	
<u>Appliances</u>	\$ 165,000.00
2 Gageneau Wall Ovens	
2 Sub Zero Refrigerators	
2 Sub Zero Refrigerators	
2 Dishwashers	
1 Cooktop	
<u>Kitchen and Bathroom Fixtures</u>	\$ 230,000.00
2 Custom Poliform Bathtubs	
7 Phillipe Starck Toilets	
Custom Sinks and Fixtures	
<u>Argentinian IPE Flooring</u>	\$ 30,000.00
<u>Glass Partitions</u>	\$ 30,000.00
<u>Art</u>	\$ 10,000.00
<u>Lounge Seating Second Floor</u>	\$ 35,000.00
<u>Board Room Table Second Floor</u>	\$ 30,000.00
<u>Office Furniture</u>	\$ 65,000.00
<u>TOTAL</u>	<u>\$ 1,875,000.00</u>

TAB I



108



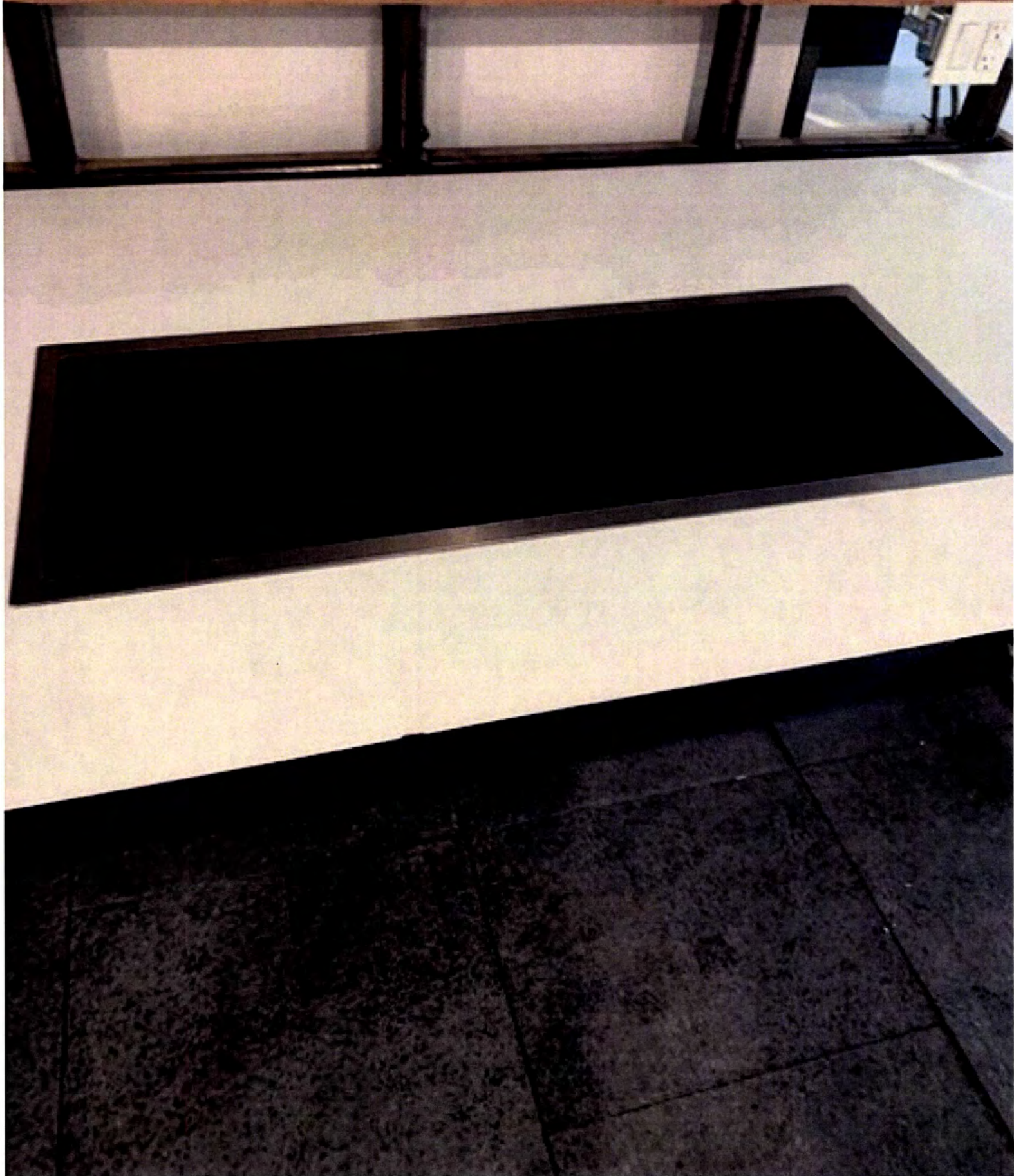


TAB J

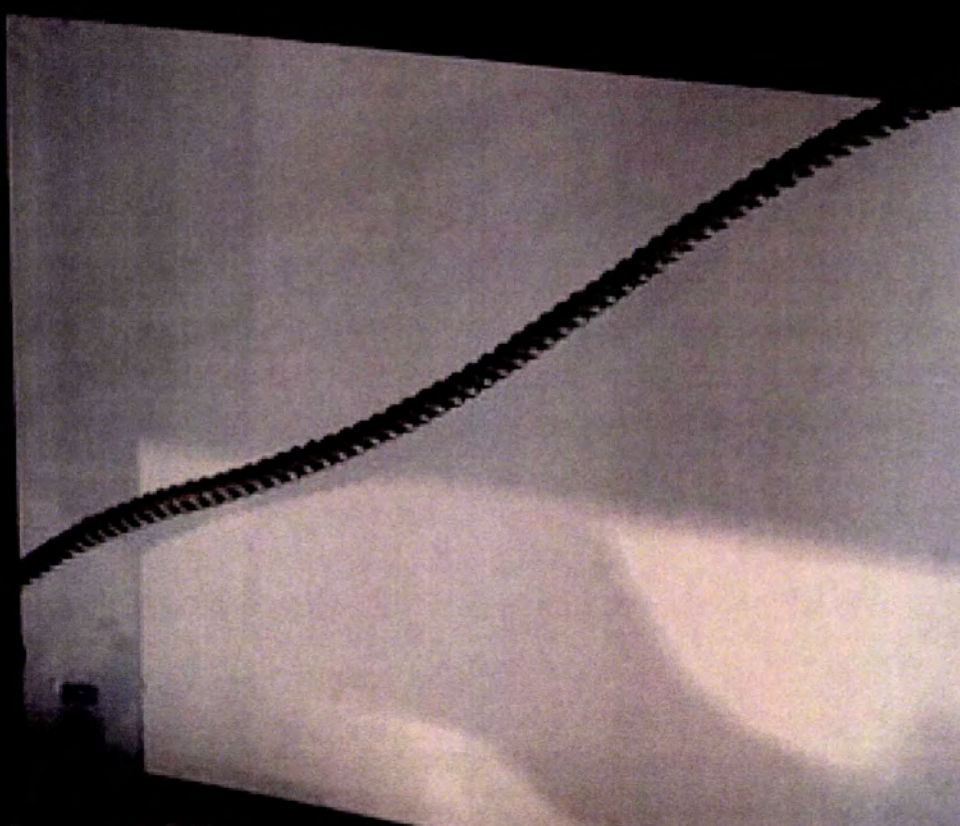
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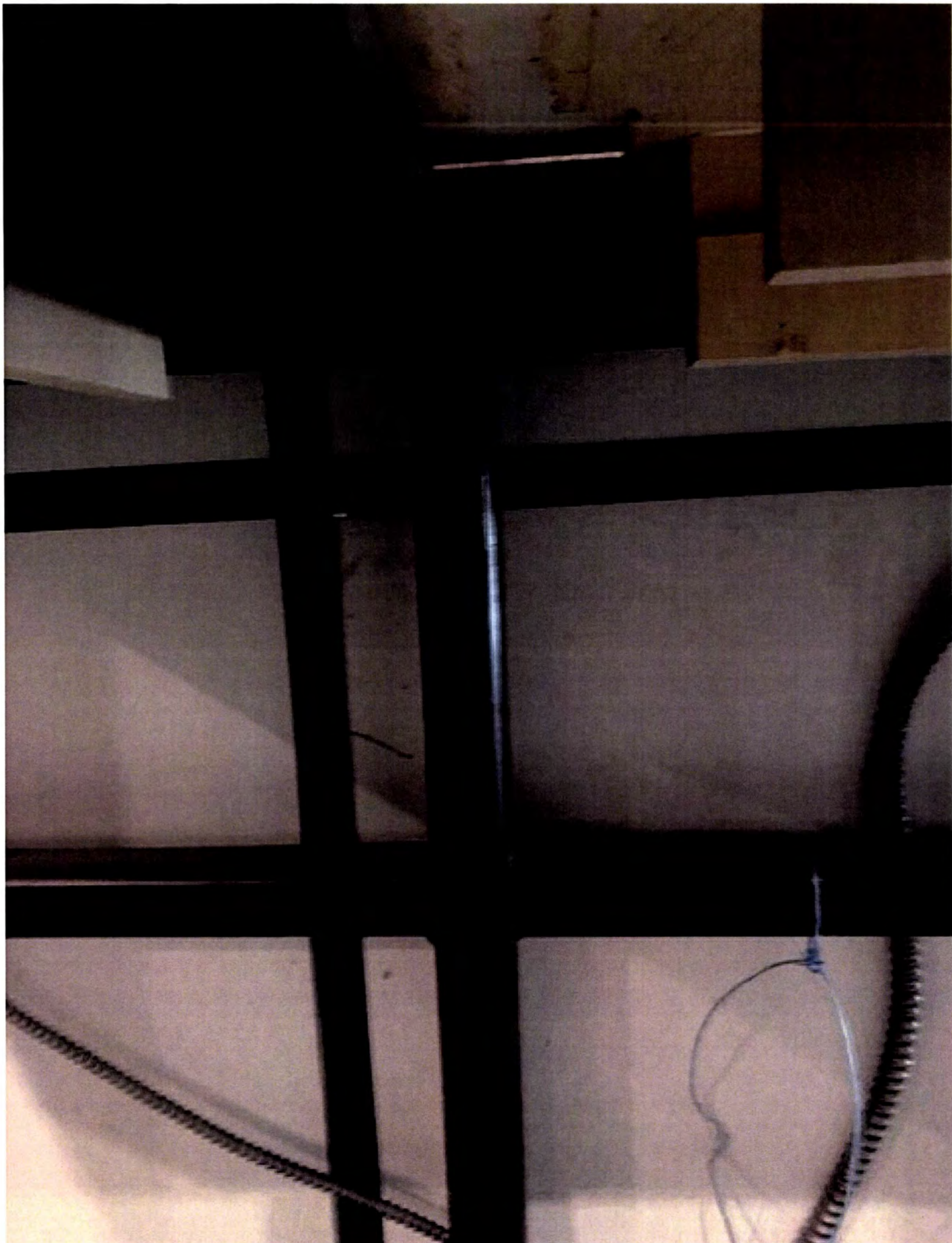
111



Center









TAB K





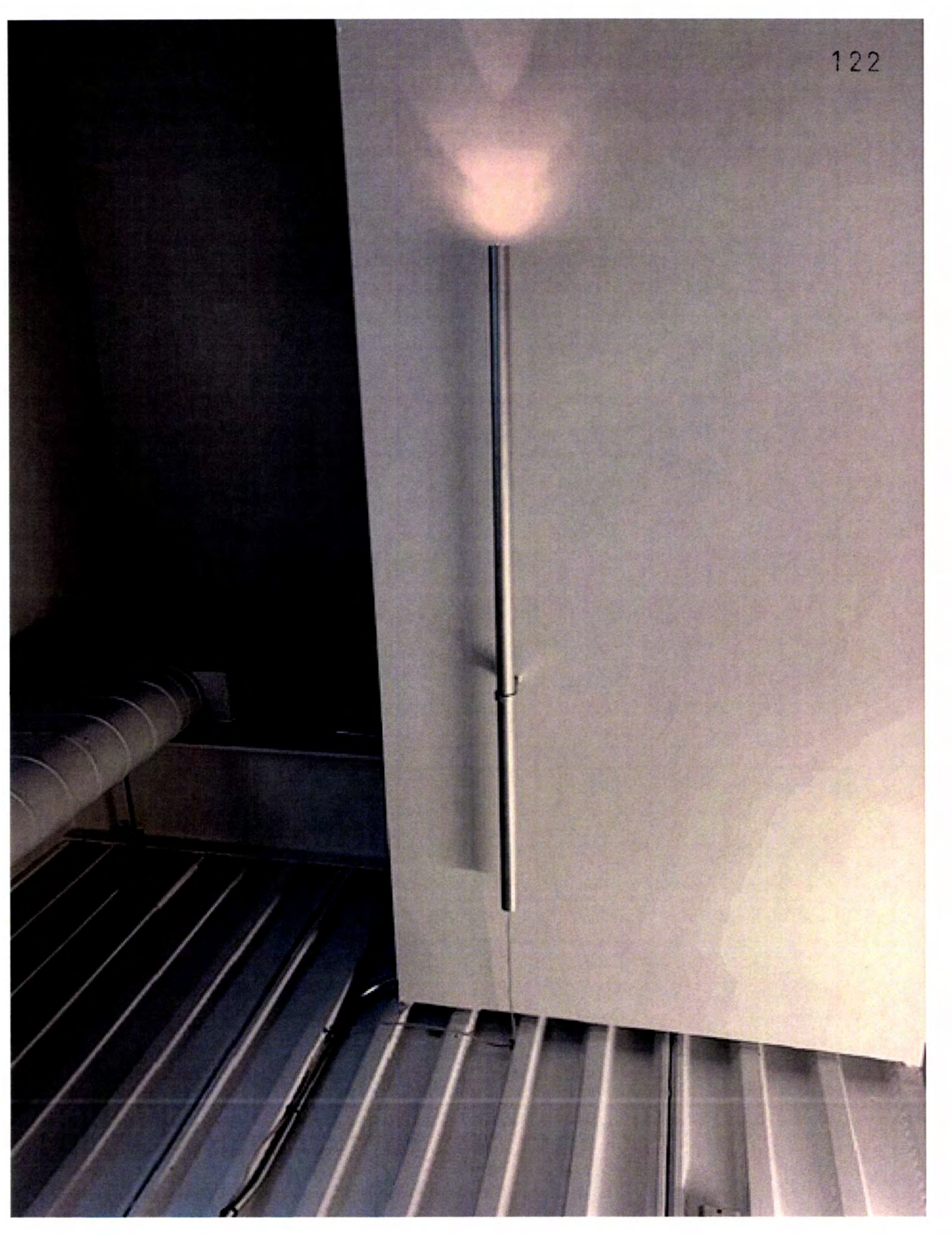


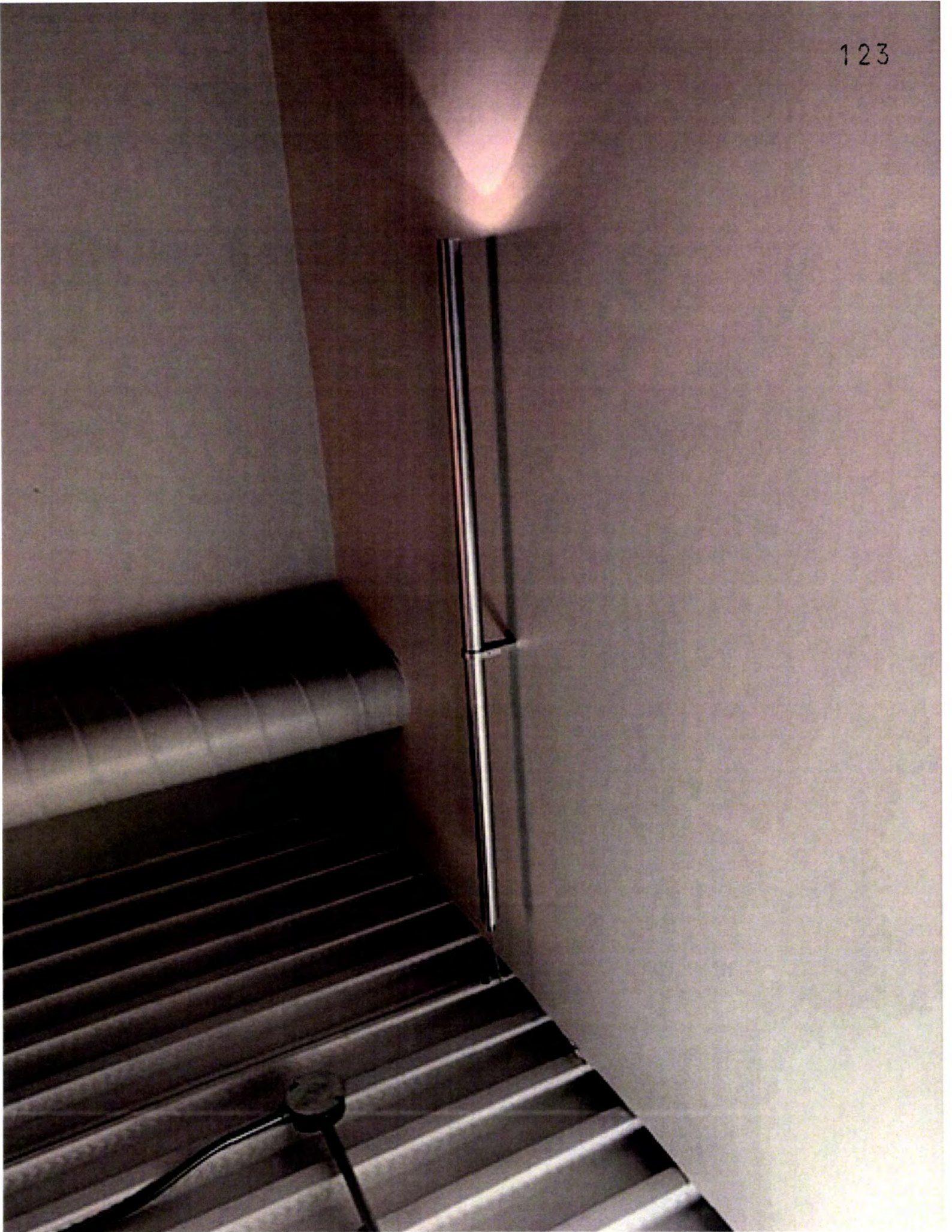


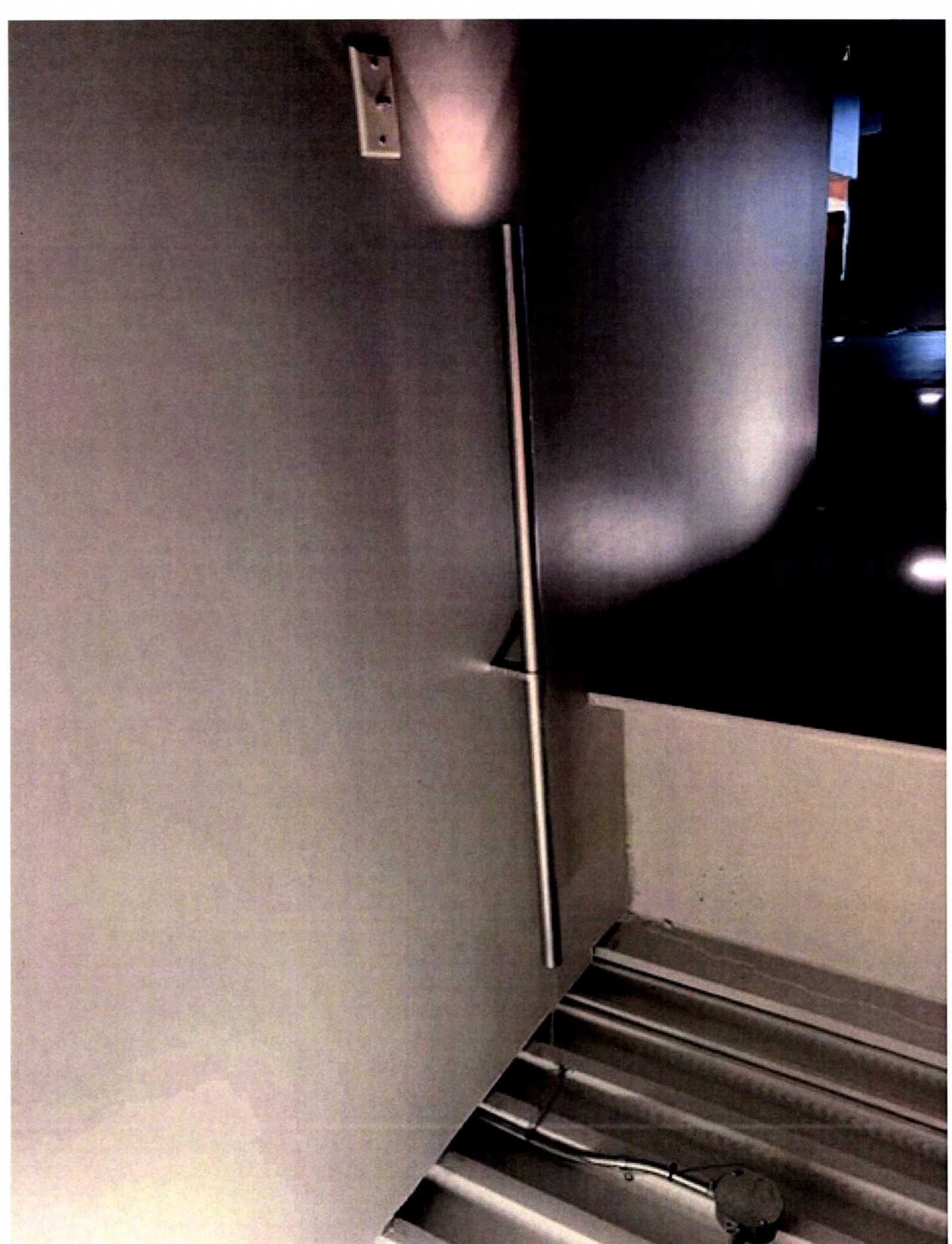




TAB L

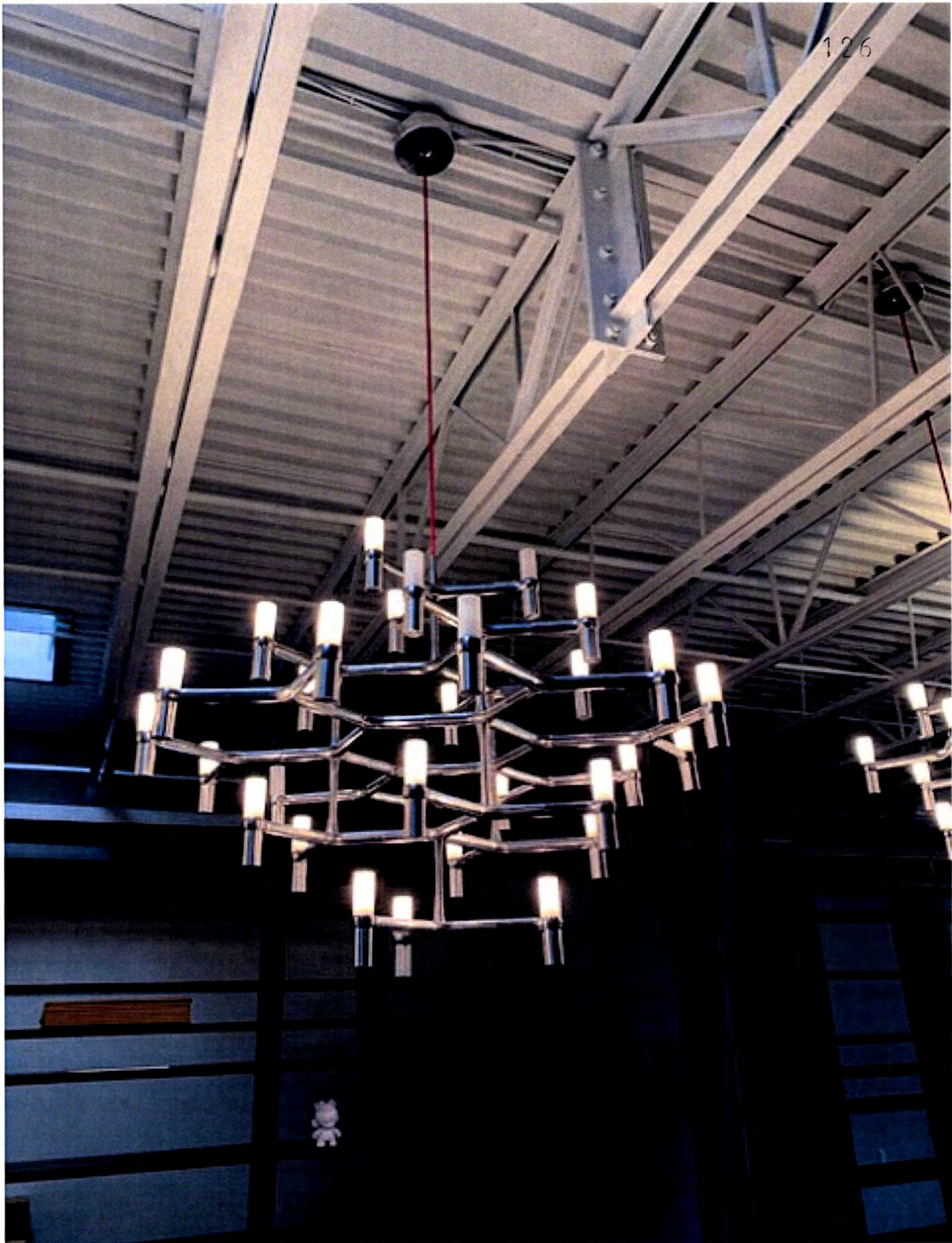






TAB M









TAB N

AGREEMENT OF PURCHASE AND SALE

This AGREEMENT dated the _____ day of _____, 2019.

BETWEEN:

RSM Canada Limited, solely in its capacity as Court-appointed receiver (the “**Receiver**”) of the lands and premises municipally known as 581 Wellington Street West, Toronto, Ontario., and not in its personal or corporate capacity and without personal or corporate liability.
(the “**Vendor**”)

OF THE FIRST PART

and

A company incorporated in accordance with the laws of the province of Ontario.
(the “**Purchaser**”)

OF THE SECOND PART

WHEREAS

- A. 2507448 Ontario Inc. (“**2507448**”) is the registered owner of the property known as 581 Wellington Street West, Toronto, Ontario and legally described in Schedule “A” attached hereto (the “**Property**”);
- B. On the 8th day of April, 2019, pursuant to an order of the Ontario Superior Court of Justice, Commercial List (the “**Court Order**”), a copy of which is attached hereto as Schedule “B”, RSM Canada Limited was appointed as receiver of the Property to, among other things, market and sell, subject to Court approval, the Property; and
- C. Subject to Court approval, 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 Vendor and 2507448 in and to the Property on the terms and conditions set out herein.

IN CONSIDERATION of the mutual agreements contained in this Agreement, the sufficiency of which is acknowledged by each of the Vendor and the Purchaser, the Vendor and the Purchaser agree as follows:

1. DEFINITIONS

In this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- (a) “**Act**” means, for purposes of Section 26 only, the *Excise Tax Act* (Canada);
- (b) “**Agreement**” means this agreement to purchase executed by the Purchaser and accepted by the Vendor, together with the attached schedules;
- (c) “**Building**” means the building(s) situate on the Property (as hereinafter defined) together with all other structures situate thereon, including all improvements thereto and all fixtures forming a part thereof which are not Excluded Fixtures, as herein defined;
- (d) “**Business Day**” means any day other than a Saturday or a Sunday or a statutory holiday in the Province of Ontario;
- (e) “**Closing**” shall have the meaning ascribed to it in Section 11;
- (f) “**Condition Date**” shall have the meaning ascribed to it in Section 6;
- (g) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (h) “**Court Condition Date**” shall have the meaning ascribed to it in Section 16;
- (i) “**Court Order**” shall have the meaning ascribed to it in Recital B;
- (j) “**Date of Closing**” shall have the meaning ascribed to it in Section 11 hereof;
- (k) “**Deposit**” shall have the meaning ascribed to it in Section 4(a);
- (l) “**Environmental Law**” means any and all applicable international, 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;
- (m) “**Excluded Fixtures**” shall mean the items listed in Schedule “E” hereto;
- (n) “**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 Property, the transaction contemplated in this Agreement and/or one or both of the parties hereto;
- (o) “**HST**” shall have the meaning ascribed thereto in Section 26 hereof;
- (p) “**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;

- (q) “**Material Documents**” includes copies of all architectural drawings, site plans relating to the Property, existing plan of survey, if any, the lease(s), if any to the extent that such Material Documents are in the possession of the Vendor;
- (r) “**Party**” means the Vendor or Purchaser, as the case may be, and “**Parties**” mean both of them;
- (s) “**Permitted Encumbrances**” means those Permitted Encumbrances listed in Schedule “C” attached hereto;
- (t) “**Property**” means the lands and/or premises legally described in Schedule “A” hereto, together with all easements, rights-of-way, privileges and appurtenances attaching thereto and inuring to the benefit thereof;
- (u) “**Purchase Price**” shall have the meaning ascribed thereto in Section 3 hereof;
- (v) “**Purchaser**” means _____;
- (w) “**Purchaser’s Condition**” shall have the meaning ascribed to it in Section 6 hereof;
- (x) “**Purchaser’s Solicitors**” means _____;
- (y) “**Registry Office**” shall have the meaning ascribed thereto in Section 12 hereof;
- (z) “**Vendor**” means RSM Canada Limited, solely in its capacity as Court-appointed receiver of the Property, and not in its personal or corporate capacity and without personal or corporate liability;
- (aa) “**Vendor’s Solicitors**” means the firm of Torkin Manes LLP; and
- (bb) “**Vesting Order**” has the meaning ascribed thereto in Section 16(a) hereof.

2. NATURE OF TRANSACTION

The Purchaser shall purchase and the Vendor shall sell the Property, upon and subject to the terms of this Agreement.

3. PURCHASE PRICE

The aggregate purchase price (the "**Purchase Price**") for the Property shall be the sum of _____ Canadian Dollars (\$_____).

4. METHOD OF PAYMENT

The Purchase Price shall be paid, accounted for and satisfied as follows.

- (a) **Deposit:** A deposit equal to the amount of ten percent (10%) of the Purchase Price (the "**Deposit**") shall be made payable to and be deposited in the trust account of the Receiver, to be paid as follows:
- (i) upon the execution of this Agreement an amount equal to three percent (3%) of the Purchase Price, representing the first portion of the Deposit shall be paid; and
 - (ii) upon waiver of the Purchaser's Condition as set out in paragraph 6 herein, the remaining amount of the Deposit, representing the second portion thereof, shall be paid.

The Deposit, or any portion thereof, is to be held in accordance with the terms of this Agreement. The Deposit will be held by the Receiver until completion or other termination of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Receiver shall place the Deposit in a non-interest bearing account and no interest shall be earned, received or paid on the Deposit.

- (b) **Balance Due at Closing:** The balance of the Purchase Price, subject to the adjustments contemplated in this Agreement, by payment at Closing to the Vendor or to the order of the Vendor.
- (c) **Method of Payment:** The Deposit and the balance due on Closing shall be made, by way of wire transfer to the Vendor's Solicitors in trust.
- (d) **Allocation of Purchase Price:** The Vendor and the Purchaser acknowledge and agree that they shall each make their own allocations of the Purchase Price between the Property and Building for the purposes of the *Income Tax Act* (Canada) and any filings in accordance with the provisions thereof.

5. DEPOSIT

The Deposit shall be held in trust by the Receiver and shall be:

- a) returned to the Purchaser without interest or deduction if the Vendor does not accept this offer;

- b) credited to the Purchaser as an adjustment against the Purchase Price on the Closing Date if the purchase and sale of the Property is completed pursuant to this Agreement;
- c) refunded to the Purchaser without interest or deduction if the purchase and sale of the Property is not completed pursuant to this Agreement, provided that the Purchaser is not in default under this Agreement; or,
- d) retained by the Vendor as a genuine pre-estimate of liquidated damages and not as a penalty, in addition to any other rights and remedies that the Vendor may have under this Agreement and at law, including offering the Property for sale to another person, if the purchase and sale of the Property is not completed pursuant to this Agreement as a result of the Purchaser's breach hereunder.

6. PURCHASER'S CONDITION

Notwithstanding any terms or provisions to the contrary contained herein, the within Agreement is conditional to the Purchaser for _____ calendar days from the date of acceptance by the Vendor (the "**Condition Date**") and is subject to the following conditions: the Purchaser satisfying itself in its sole, absolute and unfettered discretion with all matters relating to the Property, including without limitation, zoning matters, and the suitability and economic viability of the Property for the Purchaser's use, the physical condition of the Property and the surrounding real property and the results of its other due diligence tests, inspections and investigations (the "**Purchaser's Condition**"). (NTD: If Purchaser has no conditions, they may delete this clause entirely)

The Purchaser's Condition is for the exclusive benefit of the Purchaser and may be waived in writing in whole or in part by the Purchaser at any time on or before the Condition Date, any such waiver to be made by the Purchaser or its solicitors on its behalf. The day on which the Purchaser waives the Purchaser's Condition or provides the Vendor with written confirmation that the Purchaser's Condition has been satisfied is the "**Condition Waiver Date**". In the event that the Purchaser has not, on or before the Condition Date, waived the Purchaser's Condition or provided the Vendor with written confirmation that the Purchaser's Condition has been satisfied, this Agreement shall be null and void and the first portion of the Deposit shall be returned to the Purchaser without interest and without deduction and the Vendor and the Purchaser shall have no further obligations to each other with respect hereto.

7. CLOSING ADJUSTMENTS

Adjustment shall be made, as of 12:01 a.m. on the Date of Closing, for realty taxes, local improvement rates, municipal/provincial levies and charges, water and assessment rates, and utilities. The day of Closing shall be for the account of the Purchaser.

If the final cost or amount of an item that is to be adjusted cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by the Vendor, acting reasonably, as of the Closing Date on the basis of the best evidence available at

the Closing as to what the final cost or amount of such item will be. In each case, when such cost or amount is determined, the Vendor or Purchaser, as the case may be, shall, within 30 days of determination, provide a complete statement thereof to the other and within 30 days thereafter the Vendor and Purchaser shall make a final adjustment as of the Closing Date for the item in question. In the absence of agreement by the parties, the final cost or amount of an item shall be determined by an accountant or such other financial professional appointed jointly by the Vendor and the Purchaser, with the cost of such accountant's or other financial professional's determination being shared equally between the Parties. All re-adjustments shall be requested in a detailed manner on or before the 60th day after the Closing Date after which time neither Party shall have any right to request re-adjustment.

8. DELIVERIES

Unless already made available to the Purchaser by the Vendor prior to the execution of this Agreement, the Vendor covenants to deliver (unless otherwise specified) to, or make available for inspection by, the Purchaser, within five (5) Business Days of the date of execution of this Agreement, the following material:

- (a) **Survey:** a photocopy of a survey of the Property if such survey is in the actual possession of the Vendor, it being understood that such survey is not up to date;
- (b) **Authorizations for Information:** authorizations to be provided by the Vendor in a form and substance satisfactory to the Vendor and the Purchaser both acting reasonably and executed by the Vendor and addressed to the appropriate municipal property department, zoning department and fire department and to all other Government Authorities, authorizing the release of any and all information on file in respect of the Property, but specifically prohibiting inspections and requests for inspections by any of such Government Authorities; and
- (c) **Tax Notices:** copies of realty tax notices/statements in respect of the Property for the current calendar year, to the extent such notices or statements are in the Vendor's actual possession;

(collectively the "**Vendor's Deliveries**").

The Purchaser acknowledges that the Vendor makes no representation and/or warranty as to the accuracy, correctness, fitness for purpose or comprehensiveness of the Vendor's Deliveries and any information contained therein, or as to the Purchaser's entitlement to use or rely on same, and that the Purchaser shall be required to make its own investigations to satisfy itself in this regard. In the event that this transaction does not close for any reason whatsoever, including the default of the Vendor, the Purchaser agrees to return the Vendor's Deliveries, and all copies thereof made by or on behalf of the Purchaser or its agents and representatives, forthwith to the Vendor.

9. ACCESS

The Vendor agrees to allow the Purchaser and the Purchaser's authorized representatives reasonable access to the Property during normal business hours from time to time, on at least two

clear Business Days' advance written notice to the Vendor, solely for the purpose of inspecting the Property. The Purchaser agrees that no destructive or intrusive testing will be requested or allowed.

The Purchaser covenants and agrees to (i) forthwith repair or pay the cost of repair of any damage occasioned during and resulting from the inspection of the Property and/or the Building conducted by the Purchaser or its authorized representatives, as outlined above and to return the Property and/or the Building, as the case may be, to the condition same was in prior to such inspections; and (ii) indemnify and save the Vendor harmless from and against all losses, costs, claims, third party claims, damages, expenses (including legal costs as between a solicitor and its own client) which the Vendor may suffer as a result of the inspection of the Property and/or the Building conducted by the Purchaser or its authorized representatives, as outlined above or as a result of any unauthorized tests or inspections by Government Authorities. The provisions of Subsection 8(b) and this Section 9 shall survive Closing or other termination of this Agreement, notwithstanding any other provisions hereof.

The provisions in this Section 9 shall not merge and shall survive Closing.

10. TERMS OF PURCHASE

- (a) **"As Is, Where Is"**: The Purchaser acknowledges that the Vendor is selling and the Purchaser is purchasing the Property and the Building on an **"as is, where is"** basis subject to whatever defects, conditions, impediments, Hazardous Materials or deficiencies which may exist on the Date of Closing, including, without limiting the generality of the foregoing, any latent or patent defects in the Property and/or the Building. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Property. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, location, merchantability, quantity, the existence or non-existence of Hazardous Materials, compliance with any or all Environmental Law, condition or quality, or in respect of any other matter or thing whatsoever concerning the Property or the Building, including any law, by-law, regulation, code, standard or agreement of, or administered by, any municipality, utility or other government or authority, fire insurance underwriters or any other party, or the right of the Vendor to sell same save and except as expressly provided for in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* of Ontario do not apply hereto and have been waived by the Purchaser. The descriptions of the Property contained in this Agreement are for the purposes of identification only and no representation, warranty or condition has or will be given by the Vendor concerning the accuracy of such descriptions. Notwithstanding the above, the Vendor will provide title to the Property clear of any and all encumbrances, pursuant to the Vesting Order and the encumbrances set out therein and subject to any Permitted Encumbrances outlined in Schedule "C".

- (b) **Title and Other Requisitions:** The Purchaser acknowledges that, notwithstanding any statutory provisions to the contrary, the Purchaser has no right to submit requisitions of title or in regard to any outstanding work orders, deficiency notices or orders to comply issued by any Government Authorities and the Purchaser shall accept the title to the Property and the Building subject to those Permitted Encumbrances listed in Schedule "C" attached hereto and in the Vesting Order.
- (c) The Purchaser acknowledges to and in favour of the Vendor that, without limiting the generality of the foregoing, the Purchaser has entered into this Agreement and has purchased the Property and the Building from the Vendor on the basis that:
1. the Purchaser shall not require the deletion of nor compliance with any registered agreement with any municipality, Government Authority, public or private utility or conservation authority;
 2. the Purchaser is purchasing the Property and the Building on an "as is, where is" basis subject to any and all zoning and/or other by-laws and regulations and easements affecting the Property and/or the Building, restrictions and covenants which run with the Property, defects and deficiencies, encroachments, work orders, deficiency notices, compliance requests, impost charges, lot levies, sewer charges, development charges and any requirements which may have been, now are or may in the future be imposed by any federal, provincial, municipal or other Government Authority having jurisdiction over the Property and the Building including, but not limited to, the Permitted Encumbrances referenced in this Agreement;
 3. the Vendor shall not be required to provide any letters of compliance, releases or acknowledgements whatsoever including, without limitation, any confirmations in respect of any registered agreements, restrictions and/or easements. The Purchaser further acknowledges that the Purchaser will be deemed to have received notice of all provisions and obligations contained in any site plan, development or other registered agreement whether registered by any provincial, regional, municipal, public or private utility or governmental authority or any owner or occupant of adjoining lands;
 4. the Vendor is not providing and has made no representations, warranties, covenants, agreements, statements, acknowledgements, inducements or promises whatsoever, save and except as expressly contained in this Agreement, with respect to the Property or the Building, whether express or implied, by statute, at law or in equity, to or in favour of the Purchaser, oral or written, legal, equitable, collateral, or otherwise, including without limitation, with respect to:
 - (i) title, including, without limitation, the existence, validity, registration, enforceability or priority of any mortgages, charges, liens, encumbrances, security interests, claims or demands of whatsoever nature or kind affecting or in any way relating to the Property and/or the Building;

- (ii) the fitness for any particular purpose or use, zoning, suitability, description, marketability, access, condition, quality, extent of the Property or the Building, availability of services, permitted use or state of repair of the Property or the Building, compliance or accord of any improvements with municipal building by-laws and/or Ontario building code requirements and/or Ontario or municipal fire code requirements;
- (iii) the presence, absence, nature and/or extent of Hazardous Materials on, in, under, about or migrating from the Property or the Building; the discharge of such Hazardous Materials from, on, or in relation to the Property or the Building; the existence, state, nature, identity, extent or effect of any administrative orders, control orders, stop orders, compliance orders or any other orders, proceedings or actions under the *Environmental Protection Act* (Ontario), the *Ontario Water Resources Act* (Ontario) or any other applicable law in relation to the Property; nor, the existence, state, nature, kind, identity, extent or effect of any liability on the Purchaser to fulfil any obligations with respect to the environmental condition or quality of the Property or the Building. The Purchaser acknowledges that it accepts the Property and the Building subject to the environmental condition and any Hazardous Materials, whether or not such environmental condition and/or Hazardous Materials is or are known by the Vendor prior to the completion date, and acknowledges that the Purchaser will have no recourse against the Vendor for any such pre-existing environmental conditions or Hazardous Materials; and
- (iv) any defects in workmanship or any existing, executed or partially performed agreement for the supply of materials or services to the Property or the Building or any improvement constructed thereon or therein including any right, license or easement to the use of any portion of the Property or any fixtures or chattels located thereon; or any other matter or thing whatsoever in respect of all or any of the Property or the Building or otherwise affecting this Agreement or any right or entitlement by which agreement or operation of law may run with and bind the Property.

The provisions in this Section 10 shall not merge and shall survive Closing.

11. DATE OF CLOSING

The Vendor will seek an appointment with the Court to obtain a Vesting Order (as defined in Section 16 hereof) within seven (7) clear Business Days or otherwise as soon as reasonably possible after the Condition Waiver Date and receipt of the entirety of the Deposit by the Receiver. The transaction contemplated herein will close on the tenth Business Day following the date on which the Vesting Order is granted, or such other date as agreed between the Vendor and Purchaser in writing (the "**Date of Closing**" or "**Closing**"). All documents and monies shall be delivered in accordance with the provisions of Sections 12, 23 and 24 of this Agreement.

12. ELECTRONIC REGISTRATION

- (a) In the event that the electronic registration system ("TERS") is operative in the relevant land registry office (the "Registry Office"), the following provisions shall apply:
 - (i) The Purchaser shall be obliged to retain a solicitor who is both an authorized TERS user and is in good standing with the Law Society of Upper Canada to represent the Purchaser in connection with the completion of the transaction and shall authorize such 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.
 - (ii) The delivery and exchange of the closing documents:
 - (A) shall not occur contemporaneously with the registration of the Application for Vesting Order and other registerable documentation; and
 - (B) 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.
- (b) The Purchaser expressly acknowledges and agrees that the Vendor will not release the Vesting Order described in Section 16(a) and 23(a) of this Agreement for registration until the balance of funds due on Closing, in accordance with the Statement of Adjustments, are remitted by wire transfer to the Vendor's Solicitors (or in such other manner as the Vendor or Vendor's Solicitors may in writing direct) prior to the release of the Vesting Order for registration, which the Vendor's Solicitors will hold in escrow.
- (c) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been made by the Vendor upon the Purchaser, or by the Purchaser upon the Vendor, when the Vendor's Solicitors have:
 - (i) delivered all closing documents required to be delivered by the Vendor to the Purchaser pursuant to Section 23 hereof;
 - (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 TERS to complete this 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 Vesting Order 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.

- (d) Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto 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 closing documents required to be delivered by the Purchaser to the Vendor pursuant to Section 24 hereof;
 - (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 for Vesting Order 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.

- (e) 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 contemplated by this Agreement 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 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 12 and the terms of the DRA, the terms of this Section 12 shall prevail.

13. PRE-CLOSING RISK AND POST-DAMAGE ENTITLEMENTS

The Property and the Building 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. In the event that the Property and/or the

Building shall be materially damaged prior to Closing then the Vendor shall promptly advise the Purchaser in writing of such damage. In the event that the Property and/or the Building shall be materially damaged prior to Closing then the Purchaser shall be entitled, in its sole and absolute discretion, to elect to terminate this Agreement, by delivery of written notice to the Vendor within ten (10) Business Days following receipt of the Vendor's notice of damage and in such event the parties hereto shall be released from all obligations and liabilities hereunder and the Deposit shall be returned to the Purchaser forthwith, without interest or deduction. If the Purchaser does not elect to terminate this Agreement as set out above, then the transaction contemplated hereunder shall be completed and the Vendor shall release its interest in the insurance proceeds, if any, payable in respect thereof to the Purchaser.

14. VENDOR'S REPRESENTATIONS AND WARRANTIES

The Vendor represents and warrants to the Purchaser that:

- (a) **Non-Residency:** the Vendor is not now and does not intend to become, prior to Closing, a non-resident of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada); and
- (b) **Authority to Sell:** as at the date hereof, the Vendor has been duly appointed as receiver of the Property by the Court Order and, subject to the Vendor obtaining the Vesting Order, has full right, power and authority to market the Property for sale and on Closing shall have the power and authority to sell the Property, in accordance with the terms and conditions of this Agreement.

15. PURCHASER'S REPRESENTATIONS AND WARRANTIES

The Purchaser represents and warrants to the Vendor that, as at the date hereof:

- (a) **Corporate Matters Regarding Purchaser:** the Purchaser 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; neither the execution of this Agreement nor the performance (such performance shall include, without limitation, the exercise of any of the Purchaser's rights and compliance with each of the Purchaser's obligations hereunder) by the Purchaser of the transaction contemplated hereunder will violate:
 - (i) the Purchaser's articles of incorporation and by-laws;
 - (ii) any agreement to which the Purchaser is bound;
 - (iii) any judgement or order of a court of competent authority or any Government Authority; or
 - (iv) any applicable law;

and the Purchaser has duly taken, or has caused to be taken, all requisite corporate action required to be taken by it to authorize the execution and delivery of this Agreement and the performance of each of its obligations hereunder;

- (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) there are no proceedings for or pending before any Government Authority, or threatened to be brought by or before any Government Authority by or against the Purchaser affecting the legality, validity or enforceability of this Agreement or the consummation of the transaction contemplated hereby by the Purchaser;
- (d) the Purchaser has made adequate arrangements to have sufficient funds available to satisfy its obligations to pay the Purchase Price to the Vendor on the Closing Date;
- (e) the Purchaser will be responsible for and will remit to or reimburse, as applicable, all taxes, including (without limitation) Land Transfer Tax, levies or the like that arise from the sale of the Property and the Building unless otherwise specified in this Agreement; and
- (f) *Investment Canada Act (Canada)*: either (i) the Purchaser is not a “**non-Canadian**”, as defined in the *Investment Canada Act (Canada)* (“**ICA**”); or (ii) if the Purchaser is a “**non-Canadian**”, this transaction is not a reviewable transaction under the ICA, *or*, if applicable, the Purchaser is a non-Canadian for the purpose of the ICA and will within three (3) Business Days of the execution of this Agreement submit to Investment Canada a fully completed Application for Review with respect to the transaction contemplated in this Agreement and will use its best efforts to obtain approval from Investment Canada prior to 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. CONDITIONS OF CLOSING IN FAVOUR OF THE VENDOR

- (a) The Vendor’s obligations contained in this Agreement shall be conditional upon the Vendor receiving, within thirty (30) days of the Condition Waiver Date (the “**Court Condition Date**”), an Order of the Court substantially in the form attached hereto as Schedule “D” approving the transaction contemplated herein and ordering that 2507448’s right, title and interest in the Property and the Building be vested in the Purchaser free and clear of encumbrances except for Permitted Encumbrances upon satisfaction by the Purchaser of its obligations under this Agreement (collectively, the “**Vesting Order**”).

The Vendor and the Purchaser acknowledge and agree that the above-noted condition is a true condition precedent to the completion of the transaction

contemplated in this Agreement that cannot be waived by either the Vendor or the Purchaser.

The Vendor covenants and agrees to proceed as expeditiously as reasonably possible, to work in a diligent manner and to use reasonable commercial efforts to attempt to satisfy this condition. The Purchaser at its own expense, shall promptly provide to the Vendor all such information and assistance within the Purchaser's power as the Vendor may reasonably require to obtain approval of this Agreement, anticipated currently to be related to financial and financing details. If the Vesting Order is not obtained on or before the Court Condition Date, this Agreement shall, at the Vendor's discretion:

- (i) be terminated, by notice, in writing, to the Purchaser, without any penalty or liability whatsoever to the Vendor or the Purchaser, other than the return by the Vendor to the Purchaser of the Deposit, but without cost or other compensation and each of the Vendor and the Purchaser shall be released from all other obligations hereunder except for the obligations of the Purchaser, if any, arising under or as a result of a breach of the provisions of Subsection 8(b) or Section 9 hereof. The Vendor will only choose this option if it is the opinion of the Receiver acting reasonably that there is no commercially appropriate way to complete the transaction, or
 - (ii) be extended for an additional period or additional periods not exceeding one hundred and twenty (120) days in total, during which time the Vendor will continue to make best efforts to attempt to obtain the Vesting Order, by notice to the Purchaser, in writing, of the Vendor's election to extend prior to 5:00 p.m. on the Court Condition Date;
- (b) The Vendor's obligations contained in this Agreement shall be subject to the fulfilment, at or prior to Closing, of each of the following conditions:
- (i) **Representations and Warranties:** each of the Purchaser's representations and warranties contained in this Agreement shall be true at and as of the date hereof and each of such representations and warranties shall continue to be true as at Closing and shall survive the Closing;
 - (ii) **Covenants/Agreements:** the Purchaser shall have complied with each and every covenant/agreement made by it herein and required to be completed at or prior to Closing;
 - (iii) **Corporate Steps and Proceedings:** all necessary corporate steps and proceedings shall have been taken by the Purchaser to permit the Purchaser's execution of this Agreement and performance of each of the Purchaser's obligations hereunder;
 - (iv) **No Redemption:** the Property shall not have been redeemed pursuant to any statutory right or otherwise;

- (v) **Vesting Order:** the Vesting Order shall not be stayed and shall be in full force and effect and no Order restraining or prohibiting Closing shall have been made by the Court;
- (vi) **Termination of Lease:** the Vendor shall have obtained either through Court Order or the consent of 1586091 Ontario Limited O/A rhed the termination of a Commercial Lease Agreement dated November 1, 2017 between 2507448 Ontario Inc. and 1586091 Ontario Limited O/A rhed.

For greater certainty, each of the conditions contained in this Section 16(b) has been inserted for the benefit of the Vendor.

- (c) The Vendor covenants to use its best efforts (which the Vendor represents and warrants shall not be less than reasonable commercial efforts) to fulfil or cause to be fulfilled the conditions contained in Subsection 16(a) and the Purchaser covenants to use its best efforts (which the Purchaser represents and warrants shall be no less than reasonable commercial efforts) to fulfil or cause to be fulfilled the conditions contained in Subsection 16(b)(i) - (iii) hereof prior to Closing.

In the event that any of the foregoing conditions shall not be fulfilled at or prior to Closing, the Vendor may, in its absolute and unfettered discretion, terminate this Agreement by written notice to the Purchaser without any penalty or liability whatsoever to the Vendor, other than the return by the Vendor to the Purchaser of the Deposit, without interest or deduction, and without cost or other compensation and each of the Vendor and the Purchaser shall be released from all other obligations hereunder, except for the obligations of the Purchaser, if any, arising under or as a result of a breach of the provisions of Subsection 8(b) or Section 9 hereof.

17. TERMINATION OF AGREEMENT

Notwithstanding anything to the contrary contained in this Agreement, if at any time or times prior to the Closing Date, the Vendor is unable to complete this Agreement as a result of any action taken by an encumbrancer, any action taken by the present registered owner, the refusal by the present registered owner to take any action, the exercise of any right by the present registered owner or other party which is not terminated upon acceptance of this Agreement, a certificate of pending litigation is registered against the Property, a court judgment or order is made, or if the sale of the Property is restrained at any time by a court of competent jurisdiction, the Vendor may, in its sole and unfettered discretion, elect by written notice to the Purchaser, to terminate this Agreement, whereupon the Deposit shall be returned to the Purchaser without deduction, and neither party shall have any further rights or liabilities hereunder.

The obligation of the Vendor to complete this Agreement is subject to the satisfaction of the following terms and conditions on or prior to the Closing Date, which conditions are for the sole benefit of the Vendor and which may be waived by the Vendor in its sole discretion:

- (a) the representations and warranties of the Purchaser herein are true and accurate as of the Closing Date;

- (b) no action or proceeding at law or in equity shall be pending or threatened by any person, firm, government, government authority, regulatory body or agency, or against the Vendor, its officers, directors, employees or agents with respect to their actions hereunder, or their dealing with the Property, to enjoin, restrict or prohibit the purchase and sale of the Property;
- (c) the Property shall not have been removed from the control of the Vendor by any means or process;
- (d) no party shall have taken any action to redeem the Property; and
- (e) the Court shall have granted the Vesting Order.

18. PURCHASER'S ACKNOWLEDGMENTS

The Purchaser hereby acknowledges and agrees with and to be subject to the following:

- (a) it is responsible for conducting its own searches and investigations of the current and past uses of the Property and the Building;
- (b) the Vendor makes no representation or warranty of any kind that the present use or future intended use by the Purchaser of the Property and/or the Building is or will be lawful or permitted;
- (c) it is satisfied with the Property and the Building and all matters and things connected therewith or in any way related thereto;
- (d) it is relying entirely upon its own investigations and inspections in entering into this Agreement;
- (e) it is purchasing the Property and the Building on an "*as is, where is*" and "*without recourse*" basis in accordance with the terms hereof, including, without limitation, outstanding work orders, deficiency notices, compliance requests, development fee, imposts, lot levies, sewer charges, zoning and building code violations and any outstanding requirements which have been or may be issued by any governmental authority having jurisdiction over the Property;
- (f) it relies entirely on its own judgment, inspection and investigation of the Property and the Building;
- (g) any documentation relating to the Property and/or the Building obtained from the Vendor has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of this Agreement;
- (h) the Vendor shall have no liability for, or obligation with respect to, the value, state or condition of the Property or the Building;

- (i) the Vendor has made no representations or warranties with respect to or in any way related to the Property or the Building, including without limitation, the following:
 - (i) the title, quality, quantity, marketability, zoning, fitness for any purpose, state, condition, encumbrances, description, present or future use, value, location or any other matter or thing whatsoever related to the Property or the Building, either stated or implied; and
 - (ii) the environmental state of the Property and/or the Building, the existence, nature, kind, state or identity of any Hazardous Materials on, under, or about the Property, 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 the *Environmental Protection Act* (Ontario), or any other statute, regulation, rule or provision of law and the existence, state, nature, kind, 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 Property or the Building or elsewhere;
- (j) the Material Documents are being provided to the Purchaser merely as a courtesy and without any representations or warranties whatsoever; and
- (k) it will ensure that any environmental and/or structural reports on behalf of the Purchaser shall also be addressed to the Vendor and a copy of each such report shall be delivered to the Vendor promptly after the completion thereof, regardless of whether the transaction contemplated by this Agreement closes. If for any reason such transaction is not consummated, the Purchaser agrees to deliver promptly to the Vendor any and all reports and other data pertaining to the Property and the Building and any inspections or examinations conducted hereunder.

19. ENCROACHMENTS

The Purchaser agrees that the Vendor shall not be responsible for any matters relating to encroachments on or to the Property, or encroachments of the Property or the Building onto adjoining lands, or to remove same, or for any matters relating to any applicable zoning regulations or by-laws in existence now or in the future affecting the Property and/or the Building.

20. INDEMNIFICATION

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, obligations, losses, damages, penalties, notices, judgments, suits, claims, demands, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of or in

connection with the operations of the Purchaser on the Property or any order, notice, directive, or requirement under, or breaches, violations or non-compliance with any Environmental Laws after the Closing Date or as a result of the disposal, storage, release or threat of release or spill on or about the Property and/or the Building of any Hazardous Materials after the Closing Date. For the purposes of the foregoing, "**Environmental Laws**" shall mean all requirements under or prescribed by common law and all federal, provincial, regional, municipal and local laws, rules, statutes, ordinances, regulations, guidelines, directives, notices and orders from time to time with respect to the discharge, generation, removal, storage or handling of any Hazardous Materials. The obligation of the Purchaser hereunder shall survive the Closing Date.

21. RELEASE

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 Property and/or the Building. 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 Property or the Building or seek an abatement in the Purchase Price or damages in connection with any Hazardous Materials. This provision shall not expire with, or be terminated or extinguished by or merged in the Closing of the transaction of purchase and sale, contemplated by this Agreement, and shall survive the termination of this Agreement for any reason or cause whatsoever and the closing of this transaction.

22. NON-REGISTRATION

The Purchaser hereby covenants and agrees not to 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 Property. Should the Purchaser be in default of its obligations under this Section, 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 Property. 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 Property. The Purchaser acknowledges and agrees that the Vendor may rely on the terms of this Section 22 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 Property any of the items set out in this Section 22.

23. 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) **Vesting Order:** an order of the Court vesting the Property in the Purchaser or as the Purchaser shall direct, in accordance with the provisions of this Agreement;
- (b) **Statement of Adjustments:** a statement of adjustments prepared in accordance with Section 7 hereof;
- (c) **Direction Regarding Funds:** a direction from the Vendor designating the party or parties to which the balance of the Purchase Price described in Subsection 4(b) hereof shall be paid; in the event that the Vendor designates more than one party then it shall also designate amounts payable to each of the parties;
- (d) **Non-Residence Certificate:** the Vendor's 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);
- (e) **Keys:** all master keys and duplicate keys relating to the Property in the Vendor's possession; and
- (f) **Further Documentation:** any other documentation relative to the completion of this Agreement as may reasonably be required by the Purchaser or its solicitors only if such documentation is in the actual possession of the Vendor.

24. PURCHASER'S CLOSING DELIVERIES

The Purchaser covenants to execute, where applicable, and deliver the following to the Vendor at or prior to Closing:

- (a) **Purchaser's Certificates:** the Purchaser's certificate and indemnity setting out that each of the Purchaser's representations and warranties contained in this Agreement are true as at Closing and, if applicable, the Purchaser's certificate described in Subsection 26(b) hereof;
- (b) **HST Indemnity:** the indemnity provided for under Subsection 26(c) hereof;
- (c) **Direction re Title:** a direction re title to confirm the name in which title to the Property will be taken;
- (d) **Balance Due at Closing:** the balance of the Purchase Price described in Subsection 4(b) hereof;
- (e) **Application for Vesting Order(s):** the Purchaser's solicitor will prepare the application for vesting order in Teraview in accordance with the Purchaser's direction re title; and
- (f) **Further Documentation:** any other documentation relative to the completion of this Agreement as may reasonably be required by the Vendor or its solicitors.

25. PLANNING ACT (ONTARIO)

This Agreement shall be effective to create an interest in the Property 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 contemplated herein notwithstanding what would otherwise be non-compliance with Part VI of the *Planning Act* (Ontario).

26. HARMONIZED SALES TAX

- (a) **Application of HST to this Agreement:** The Purchaser acknowledges and agrees that the transaction contemplated hereunder shall be subject to the goods and services tax and harmonized sales tax (“HST”) levied pursuant to the Act 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 Act.

- (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 Act; and/or
 - (ii) the Purchaser is a “prescribed recipient” under the Act and/or is registered under the Act,

then the Purchaser shall deliver, prior to Closing, its certificate in form prescribed by the Act 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 contemplated hereunder. If Subsection 26(b)(ii) 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 due at Closing described in Subsection 24(d) hereof, an amount equal to the HST that the Vendor shall be obligated to collect and remit in connection with the said transaction.

- (c) **HST Indemnity:** The Purchaser shall indemnify and save harmless the Vendor, its directors, officers, employees, agents and representatives from all claims, liabilities, penalties, interest, costs and legal and other expenses incurred, directly or indirectly, in connection with the assessment of HST payable in respect of the transaction contemplated hereunder.

27. NOTICE

Any notice given hereunder shall be in writing and delivered or communicated by e-mail to:

in the case of the Purchaser at:

●
Attention:
Email:

and in the case of the Vendor at:

RSM Canada Limited
11 King Street West, Suite 700, Box 27
Toronto ON M5H 4C7

Attention: Daniel Weisz
Email: daniel.weisz@rsmcanada.com

with a copy to the Vendor's Solicitors:

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

Attention: Stewart Thom and Stephanie Eiley
Email: sthom@torkinmanes.com and seiley@torkinmanes.com

Such notice shall be deemed to have been delivered upon delivery or communicated upon transmission if such notice is delivered prior to 5:00pm on a Business Day, failing which the notice shall be deemed to have been delivered or transmitted on the next Business Day. A party may change its address and/or email address by providing notice in accordance with this Section 27.

28. 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 contemplated hereunder 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 contemplated hereunder by a party hereof shall be deemed to be a waiver by such party of compliance with any condition inserted for its benefit and not satisfied at Closing.

29. SEVERABILITY

If any provision contained in this Agreement or the application thereof to any person/entity or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement and the application of such provision to persons/entities or circumstances other than those to whom/which 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.

30. 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.

31. ENTIRE AGREEMENT

This Agreement and the schedules attached hereto constitute the entire agreement between the Vendor and the Purchaser in respect of the Property. 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 agrees 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 the closing of the transaction contemplated by this Agreement.

32. 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.

33. INTERPRETATION

This Agreement shall be read with all changes of gender and number as required by the context.

34. REFERENCES TO STATUTES

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 paragraphs 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.

35. 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.

36. CANADIAN FUNDS

All references to dollar amounts contained in this Agreement shall be deemed to refer to Canadian funds.

37. TENDER

Any tender to notices, documents and/or monies hereunder may be made upon the Vendor or the Purchaser or their respective solicitors. Monies may be tendered by wire transfer of funds to the account of the Vendor's Solicitors.

38. 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.

39. 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 third party. If for any reason Closing does not occur, all such documents (including without limitation, the Material 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 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 persons also keep such terms confidential as aforesaid.

40. 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.

41. DOCUMENTATION PREPARATION AND REGISTRATION

The Purchaser shall prepare or cause to be prepared the land transfer tax affidavit to be attached to the Application for Vesting Order described in Subsection 12(a)(ii)(A) hereof. The Vendor shall prepare or cause to be prepared all other documentation described in Section 23 hereof. Each of the parties shall deliver draft documentation to the other not less than three (3) Business Days prior to Closing. Except as otherwise expressly provided in this Agreement, all such documentation shall be in form and have substance satisfactory to the Vendor and the Purchaser, acting reasonably. The Purchaser shall be responsible for and pay all registration costs incurred in connection with the transaction contemplated in this Agreement. 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.

42. LAND TRANSFER TAXES AND RETAIL SALES TAXES

The Purchaser shall pay all land transfer taxes (as required pursuant to the *Land Transfer Tax Act* (Ontario)) and, if applicable, all retail sales taxes (as required pursuant to the *Retail Sales Tax Act* (Ontario)) payable in connection with the transfer of the Property pursuant to this Agreement.

43. 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.

44. 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 prior to the granting of the Vesting Order, upon written notice to the Vendor's Solicitors, to assign, in whole or part, its rights to acquire the Property hereunder to any company or companies provided by the Purchaser provided that such assignment shall not release the Purchaser from its obligations under this Agreement.

45. 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 Property and that the Vendor shall have no personal or corporate liability under or as a result of this Agreement. Any claim 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 Property 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 Property. The Purchaser acknowledges that the Property and the Building are and shall remain in the possession of the Vendor until Closing.

46. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

47. IRREVOCABILITY

Once executed by the Purchaser this Agreement shall be treated as an offer to purchase which is irrevocable by the Purchaser for a period of 10 days, commencing on the date of execution.

DATED as of the date first mentioned above.

●

Per: _____
Name:
Title:
I/We have authority to bind the Corporation.

The Vendor hereby accepts this Agreement to purchase and its terms and agrees with the Purchaser to duly complete the transaction contemplated thereunder.

DATED at Toronto, Ontario this _____ day of _____, 2019.

**RSM Canada Limited, solely in its capacity
as Court-appointed Receiver of 581
Wellington Street West, Toronto, Ontario
and not in its personal or corporate capacity
and without personal or corporate liability**

Per: _____
Name: Daniel Weisz
Title: Senior Vice President

I have authority to bind the Receiver

SCHEDULE A**LEGAL DESCRIPTION OF THE PROPERTY**

MUNICIPAL ADDRESS: 581 Wellington Street West, Toronto, Ontario

LEGAL DESCRIPTION: PT LT 23 SEC L PL MILITARY RESERVE TORONTO PARTS
1, 14 & 15, 63R2301; S/T & T/W CA540961; CITY OF
TORONTO

PIN: 21241-0114 (LT)

SCHEDULE B

COURT ORDER

Court File No. CV-19-00613044-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

)

MONDAY, THE

JUSTICE

HAINY

)

8TH DAY OF APRIL, 2019**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

- and -

2507448 ONTARIO 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

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 (in such capacities, the "Receiver") without security, over the lands and premises municipally known as 581 Wellington Street West, Toronto, Ontario, having the legal description of PT LT 23 SEC L PL Military Reserve Toronto Parts 1, 14 & 15, 63R2301;

S/T & T/W CA540861 (the "Real Property"), owned by 2507448 Ontario Inc. (the "Debtor"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of David Mandel sworn January 22, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, and on reading the consent of the Debtor to the relief sought in this application, 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 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 the Real Property and for all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to the Real Property, including all proceeds thereof (together with the Real Property, the "Property").

3. The appointment of RSM Canada Limited as Receiver pursuant to paragraph 2 of this Order shall be effective on the date that the Applicant in this matter, First Source Financial Management Inc., gives written notice to the Respondent, 2507448 Ontario Inc., that all or part of the Mortgage¹ remains outstanding as of that date, provided that such notice may not be delivered later than 5:00pm EST on May 3, 2019. Such written notice may be given by the Applicant or its counsel to Del Terrelonge, authorized representative of the Respondent, by email to d@rhed-22.com.

¹ Being the mortgage loan from the Applicant in favour of the Respondent, secured by the Real Property, as more particularly described in the affidavit of David Mandel sworn January 22, 2019 in this proceeding.

RECEIVER'S POWERS

4. 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 and operate the Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, or cease to perform any contracts of the Debtor in respect of the Property;
- (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 in respect of the Property or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor in respect of the Property and to exercise all remedies of the Debtor in respect of the Property in collecting such monies,

- 4 -

- including, without limitation, to enforce any security held by the Debtor in respect of the Property;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor in respect of the Property;
 - (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 in respect of the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
 - (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
 - (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

- 5 -

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 in respect of the Property;
- (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 in respect of the Property; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. 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.

6. 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 relating to the Property, 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.

7. 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.

8. 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

9. 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 IN RESPECT OF THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor in respect of 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 in respect of the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. 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

12. 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 in respect of the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor in respect of the Property 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 in respect of the Property 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 in respect of the Property, 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

14. 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"). For greater certainty, all receipts in respect of the Real Property shall be deposited into the Post Receivership Accounts and all Permitted Disbursements (defined below) shall be drawn from the Post Receivership Accounts. "Permitted Disbursements" shall include, but shall not be limited to, realty taxes, utilities, payroll, insurance, maintenance expenses, other reasonable property-specific expenses, and business expenses associated with the Property. 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

15. 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

16. 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

17. 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

18. 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

19. 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.

20. 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.

21. 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

22. 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 \$200,000 (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.

23. 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.

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

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

SERVICE AND NOTICE

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

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.

GENERAL

28. 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.

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

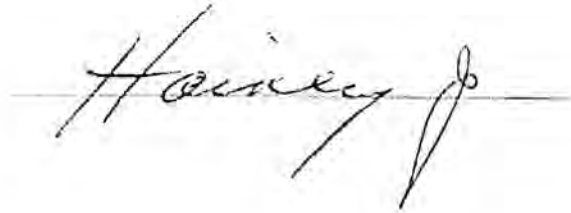
30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

31. 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.

32. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid

by the Receiver from the realizations from the Property with such priority and at such time as this Court may determine.

33. 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.

A handwritten signature in cursive script, appearing to read "Hainey", is written over a horizontal line. The signature is fluid and somewhat stylized.

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

APR 26 2019

PER / PAR: RW

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "Receiver") of the Property, as such terms are defined in the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 2019 appointing the Receiver (the "Order") made in an application having Court file number CV-19-00613044-00CL, 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 _____, 20 .

RSM Canada Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____
Name:
Title:

FIRST SOURCE FINANCIAL MANAGEMENT INC.
Applicant

-and- 2507448 ONTARIO INC.
Respondent

Court File No. CV-19-00613044-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

AMENDED ORDER
(appointing Receiver)

Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West
35th Floor
Toronto, ON M5V 3H1

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

Daniel Rosenbluth (LSUC# 71044U)
Tel.: 416.646.6307
email: daniel.rosenbluth@paliareroland.com

Fax: 416.646.4301

Lawyers for the Applicant

SCHEDULE C

PERMITTED ENCUMBRANCES

“Permitted Encumbrances” means the following:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel register for the Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
5. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Defects or irregularities in title to the Property; and
10. Without in any way limiting the generality of any of the foregoing, the following specific instruments registered on title against the Property:
 - i. Instrument No. 63R-2301 being a reference plan.
 - ii. Instrument No. CT824656 registered on 1986/10/24 being an Agreement.
 - iii. Instrument No. 63R-4953 being a reference plan.

SCHEDULE D

Court File No. CV-19-00613044CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE ►) ► DAY, THE ► DAY
JUSTICE ►) OF ►, 2018

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

2507448 ONTARIO 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

APPROVAL AND VESTING ORDER

THIS MOTION, made by **RSM Canada Limited** in its capacity as the Court-appointed receiver (the "**Receiver**") of 581 Wellington Street West, Toronto, Ontario including all proceeds thereof (collectively, the "**Property**") owned by 2507448 Ontario 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]** (the "**Purchaser**") made as of **[DATE]** and appended to the Report of the Receiver dated **[DATE]** (the "**Report**"), and vesting in the Purchaser 2507448 Ontario Inc.'s ("**2507448**") right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, **[NAMES OF OTHER PARTIES APPEARING]**, no one appearing for any other person on the

service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] 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 Receiver's and all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto 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 Amended Order of the Honourable Justice Hainey **dated** April 8, 2019; (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) 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 Land Titles Division of Toronto (#66) 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 AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

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

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance 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.

7. **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.

Schedule A – Form of Receiver's Certificate

Court File No. CV-19-00613044CL

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

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

2507448 ONTARIO 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

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Amended Order of the Honourable Justice Hailey of the Ontario Superior Court of Justice (the "**Court**") dated April 8, 2019, RSM Canada Limited was appointed as the receiver (the "**Receiver**") of 581 Wellington Street West, Toronto, Ontario, including all proceeds thereof (collectively, the "**Property**") owned by 2507448 Ontario Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated [DATE] (the "Vesting Order"), the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "**Sale Agreement**") between the Receiver and [NAME OF PURCHASER] (the "**Purchaser**") and provided for the vesting in the Purchaser of the Receiver's and the Debtor's right, title and interest in and to the Purchased Assets, 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 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction 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 or the Vesting Order.

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 Date of Closing pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at [TIME] on ►[DATE].

RSM Canada Limited, solely in its capacity as Court-appointed Receiver of 581 Wellington Street West, Toronto, Ontario and not in its personal or corporate capacity and without personal or corporate liability

Per: _____

Name: ►

Title: ►

Schedule B – Purchased Assets

All of the Receiver's (if any) and 2507448 Ontario Inc.'s right, title and interest in and to the Property and the Building (as defined in the Sale Agreement) including, without limitation, the following real property:

MUNICIPAL ADDRESS: 581 Wellington Street West, Toronto, Ontario

LEGAL DESCRIPTION: PT LT 23 SEC L PL MILITARY RESERVE TORONTO PARTS
1, 14 & 15, 63R2301; S/T & T/W CA540961; CITY OF
TORONTO

PIN: 21241-0114 (LT)

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

The following Instruments are to be discharged upon registration of the Vesting Order:

1. INSTRUMENT NO. AT4215386 REGISTERED ON MAY 10, 2016 BEING A TRANSFER UNDER POWER OF SALE.
2. INSTRUMENT NO. AT4392140 REGISTERED ON 2016/11/03, BEING A CHARGE IN FAVOUR OF 2507448 ONTARIO INC. IN THE PRINCIPAL SUM OF \$575,000.
3. INSTRUMENT NO. AT4392157 REGISTERED ON 2016/11/03 BEING A NOTICE OF ASSIGNMENT OF RENTS (GENERAL)
4. INSTRUMENT NO. AT4393968 REGISTERED ON 2016/11/07, BEING A CHARGE IN FAVOUR OF 2507448 ONTARIO INC. IN THE PRINCIPAL SUM OF \$2,240,750.
5. INSTRUMENT NO. AT4410539 REGISTERED ON 2016/11/24, BEING A POSTPONEMENT.
6. INSTRUMENT NO. AT4436800 REGISTERED ON 2016/12/16, BEING A TRANSFER OF CHARGE.
7. INSTRUMENT NO. AT4460140 REGISTERED ON 2017/01/16 BEING A NOTICE
8. INSTRUMENT NO. AT4464143 REGISTERED ON 2017/01/19, BEING A TRANSFER OF CHARGE.
9. INSTRUMENT NO. AT4481194 REGISTERED ON 2017/02/07, BEING A TRANSFER OF CHARGE.
10. INSTRUMENT NO. AT4513211 REGISTERED ON 2017/03/16, BEING A NOTICE.
11. INSTRUMENT NO. AT4520256 REGISTERED ON 2017/03/27, BEING A TRANSFER OF CHARGE
12. INSTRUMENT NO. AT4535318 REGISTERED ON 2017/04/11, BEING A TRANSFER OF CHARGE.
13. INSTRUMENT NO. AT4570560 REGISTERED ON 2017/05/17, BEING A NOTICE.
14. INSTRUMENT NO. AT4612827 REGISTERED ON 2017/06/29, BEING A TRANSFER OF CHARGE.
15. INSTRUMENT NO. AT4648602 REGISTERED ON 2017/08/08, BEING A TRANSFER OF CHARGE.

16. INSTRUMENT NO. AT4722991 REGISTERED ON 2017/11/01, BEING TRANSFER OF CHARGE.
17. INSTRUMENT NO. AT4731884 REGISTERED ON 2017/11/14, BEING A TRANSFER OF CHARGE.
18. INSTRUMENT NO. AT4761477 REGISTERED ON 2017/12/15, BEING A TRANSFER OF CHARGE.
19. INSTRUMENT NO. AT4764223 REGISTERED ON 2017/12/19 BEING A TRANSFER OF CHARGE
20. INSTRUMENT NO. AT4799171 REGISTERED ON 2018/02/08 BEING A TRANSFER OF CHARGE
21. INSTRUMENT NO. AT4824592 REGISTERED ON 2018/03/20 BEING A NOTICE
22. INSTRUMENT NO. AT4832936 REGISTERED ON 2018/04/03 BEING A TRANSFER OF CHARGE
23. INSTRUMENT NO. AT4834357 REGISTERED ON 2018/04/04 BEING A CHARGE IN FAVOUR OF 2507448 ONTARIO INC. IN THE PRINCIPAL SUM OF \$3,500,000.
24. INSTRUMENT NO. AT4834358 REGISTERED ON 2018/04/04 BEING A NO ASSGN RENT GEN
25. INSTRUMENT NO. AT4834365 REGISTERED ON 2018/04/04 BEING A POSTPONEMENT
26. INSTRUMENT NO. AT4834366 REGISTERED ON 2018/04/04 BEING A POSTPONEMENT
27. INSTRUMENT NO. AT4835341 REGISTERED ON 2018/04/05 BEING A NOTICE
28. INSTRUMENT NO. AT4864798 REGISTERED ON 2018/05/16 BEING A TRANSFER OF CHARGE
29. INSTRUMENT NO. AT4885660 REGISTERED ON 2018/06/14 BEING A TRANSFER OF CHARGE
30. INSTRUMENT NO. AT4943186 REGISTERED ON 2018/08/24 BEING A TRANSFER OF CHARGE
31. INSTRUMENT NO. AT5065440 REGISTERED ON 2019/01/30 BEING A TRANSFER OF CHARGE

32. INSTRUMENT NO. AT5131618 REGISTERED ON 2019/05/08 BEING A APL
COURT ORDER

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

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Property (as defined in the Sales Agreement) means:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel register for the Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
5. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Defects or irregularities in title to the Property;

10. The following instruments registered on title to the Property:
 - i. Instrument No. 63R-2301 being a reference plan.
 - ii. Instrument No. CT824656 registered on 1986/10/24 being an Agreement.
 - iii. Instrument No. 63R-4953 being a reference plan.

SCHEDULE E
EXCLUDED FIXTURES

1. The Vendor reserves the right to exclude from the sale of the Property any and all fixtures which are not necessary for the ordinary operation of the HVAC, electrical or plumbing systems presently installed at the Property. Without limitation, the list of potentially excluded fixtures includes:
 - a. all light fixtures;
 - b. all sinks, bathtubs, toilets and bathroom or spa fixtures;
 - c. all cabinetry, islands, countertops and millwork;
 - d. all appliances.
2. The Vendor shall deliver to the Purchaser a particularized list of Excluded Fixtures, if any, at least 7 days prior to Closing (the "**Excluded Fixtures Notice**"). Only those items appearing on the Excluded Fixtures Notice shall be considered Excluded Fixtures under the terms of this Agreement.

TAB O

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 8/15/2019
File Currency Date: 08/14/2019
Family(ies): 3
Page(s): 5

SEARCH : Business Debtor : 2507448 ONTARIO INC.

The attached report has been created based on the data received by Cyberbahn, a Thomson Reuters business from the Province of Ontario, Ministry of Government Services. No liability is assumed by Cyberbahn regarding its correctness, timeliness, completeness or the interpretation and use of the report. Use of the Cyberbahn service, including this report is subject to the terms and conditions of Cyberbahn's subscription agreement.

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 8/15/2019
File Currency Date: 08/14/2019
Family(ies): 3
Page(s): 5

SEARCH : Business Debtor : 2507448 ONTARIO INC.

FAMILY : 1 OF 3 ENQUIRY PAGE : 1 OF 5
SEARCH : BD : 2507448 ONTARIO INC.

00 FILE NUMBER : 722201346 EXPIRY DATE : PERPETUAL STATUS :
01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20161103 1658 1862 9927 REG TYP: F PPSA REG PERIOD: 99 (PERP)
02 IND DOB : IND NAME:
03 BUS NAME: 2507448 ONTARIO INC. OCN : 2507448

04 ADDRESS : 581 WELLINGTON STREET WEST
CITY : TORONTO PROV: ON POSTAL CODE: M5V 1G3

05 IND DOB : IND NAME:
06 BUS NAME:

OCN :

07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

MONICA GOYAL, BARE TRUSTEE

09 ADDRESS : 2 ST. CLAIR AVENUE WEST, SUITE 1800
CITY : TORONTO PROV: ON POSTAL CODE: M4V 1L5

CONS.	GOODS	INVTRY.	EQUIP	ACCTS	OTHER	INCL	AMOUNT	DATE OF MATURITY	OR NO FIXED MAT DATE
10	X	X	X	X	X				X
	YEAR MAKE				MODEL		V.I.N.		

11
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GENERAL COLLATERAL DESCRIPTION

13 A GENERAL SECURITY AGREEMENT, A GENERAL ASSIGNMENTS OF RENTS, AND AN
14 ASSIGNMENT OF PLANS AND RELATED AGREEMENTS AFFECTING 581 WELLINGTON
15 STREET WEST, TORONTO, ON., M5V 1G3.

16 AGENT: MONICA GOYAL

17 ADDRESS : 2 ST. CLAIR AVENUE WEST, SUITE 1800
CITY : TORONTO PROV: ON POSTAL CODE: M4V 1L5

FAMILY : 1 OF 3
SEARCH : BD : 2507448 ONTARIO INC.

ENQUIRY PAGE : 2 OF 5

FILE NUMBER 722201346

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 001 OF 002 MV SCHED: 20180404 0933 1862 9840
21 REFERENCE FILE NUMBER : 722201346
22 AMEND PAGE: NO PAGE: X CHANGE: J OTHER REN YEARS: CORR PER:
23 REFERENCE DEBTOR/ IND NAME:
24 TRANSFEROR: BUS NAME: 2507448 ONTARIO INC.

25 OTHER CHANGE: SUBORDINATION
26 REASON: MONICA GOYAL, BARE TRUSTEE SUBORDINATES AND POSTPONES FINANCING
27 /DESCR: STATEMENT NUMBER 20161103 1658 1862 9927 (FILE NUMBER 722201346) IN-
28 : FAVOUR OF FIRST SOURCE FINANCIAL MANAGEMENT INC.'S FINANCING
02/05 IND/TRANSFEEE:
03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:
CITY: PROV: POSTAL CODE:
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
CITY : PROV : POSTAL CODE :
CONS. MV DATE OF NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : SCHNEIDER RUGGIERO LLP (40033/BM)
17 ADDRESS : 1000-120 ADELAIDE STREET W.
CITY : TORONTO PROV : ON POSTAL CODE : M5H 3V1

FAMILY : 1 OF 3
SEARCH : BD : 2507448 ONTARIO INC.

ENQUIRY PAGE : 3 OF 5

	PAGE	TOT	FILE NUMBER	722201346
01 CAUTION :	002 OF 002	MV SCHED:	REGISTRATION NUM	REG TYPE
21 REFERENCE FILE NUMBER :	722201346		20180404 0933 1862 9840	
22 AMEND PAGE:	NO PAGE:	CHANGE:	REN YEARS:	CORR PER:
23 REFERENCE DEBTOR/	IND NAME:			
24 TRANSFEROR:	BUS NAME:			

25 OTHER CHANGE: SUBORDINATION
 26 REASON: STATEMENT NUMBER 20180404 0929 1862 9839 (FILE NUMBER 737856684).
 27 /DESCR:
 28 :
 02/05 IND/TRANSFEE:
 03/06 BUS NAME/TRFEE:

04/07 ADDRESS: OCN:
 CITY: PROV: POSTAL CODE:
 29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
 CITY : PROV : POSTAL CODE :
 CONS. MV. DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10
11
12
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14
15

16 NAME :
 17 ADDRESS :
 CITY : PROV : POSTAL CODE :

FAMILY : 2 OF 3 ENQUIRY PAGE : 4 OF 5
 SEARCH : BD : 2507448 ONTARIO INC.

00 FILE NUMBER : 737856684 EXPIRY DATE : 04APR 2020 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :
 REG NUM : 20180404 0929 1862 9839 REG TYP: P PPSA REG PERIOD: 2
 02 IND DOB : IND NAME:
 03 BUS NAME: 2507448 ONTARIO INC.

OCN :
 04 ADDRESS : 581 WELLINGTON STREET WEST
 CITY : TORONTO PROV: ON POSTAL CODE: M5V 1G3
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 FIRST SOURCE FINANCIAL MANAGEMENT INC.

09 ADDRESS : 1 VALLEYBROOK DRIVE, SUITE 100
 CITY : TORONTO PROV: ON POSTAL CODE: M3B 2S7
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X
 YEAR MAKE MODEL V.I.N.

11
 12

GENERAL COLLATERAL DESCRIPTION

13 SECURITY AGREEMENT AND ASSIGNMENT OF RENTS RELATED TO 581 WELLINGTON
 14 STREET WEST, TORONTO, ONTARIO.

15

16 AGENT: SCHNEIDER RUGGIERO LLP (40033/BM)

17 ADDRESS : 1000-120 ADELAIDE STREET W.
 CITY : TORONTO PROV: ON POSTAL CODE: M5H 3V1

FAMILY : 3 OF 3
SEARCH : BD : 2507448 ONTARIO INC.

ENQUIRY PAGE : 5 OF 5

00 FILE NUMBER : 752201703 EXPIRY DATE : 11JUN 2024 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20190611 1734 2089 0251 REG TYP: P PPSA REG PERIOD: 05
02 IND DOB : IND NAME:
03 BUS NAME: 2507448 ONTARIO INC.

04 ADDRESS : 581 WELLINGTON STREET WEST OCN :
CITY : TORONTO PROV: ON POSTAL CODE: M5V 1G3
05 IND DOB : IND NAME:
06 BUS NAME:

07 ADDRESS : OCN :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
1586091 ONTARIO LIMITED O/A RHED

09 ADDRESS : 97 BOULTON DRIVE
CITY : TORONTO PROV: ON POSTAL CODE: M4V 2V5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X 1875000 X
YEAR MAKE MODEL V.I.N.

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12
GENERAL COLLATERAL DESCRIPTION
13 SECURITY AGREEMENT DATED NOVEMBER 1, 2017 BETWEEN LESSEE AND LESSOR,
14
15

16 AGENT: GLOBAL LEGAL SERVICES
17 ADDRESS : 209 - 117 PETER STREET
CITY : TORONTO PROV: ONT POSTAL CODE: M5V 0M3

TAB P

PROPERTY DESCRIPTION: PT LT 23 SEC L PL MILITARY RESERVE TORONTO PARTS 1, 14 & 15, 63R2301; S/T & T/W CA540961; CITY OF TORONTO

PROPERTY REMARKS: PLANNING ACT CONSENT AS IN CT469488.

ESTATE/QUALIFIER: RECENTLY:
FEE SIMPLE FIRST CONVERSION FROM BOOK
LT CONVERSION QUALIFIED

PIN CREATION DATE:
2003/05/26

OWNERS' NAMES CAPACITY SHARE
2507448 ONTARIO INC. ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2003/05/23 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES:						
**DATE OF CONVERSION TO LAND TITLES: 2003/05/26 **						
63R2301	1981/04/14	PLAN REFERENCE				
CT824656	1986/10/24	AGREEMENT			CITY OF TORONTO	
REMARKS: COLLATERAL						
63R4953	1991/04/18	PLAN REFERENCE				
CA540961	1998/05/29	TRANSFER		*** COMPLETELY DELETED ***	ROICK & ASSOCIATES INC.	
CA777584	2002/07/15	CHARGE		*** COMPLETELY DELETED ***	THE TORONTO-DOMINION BANK	
AT1558256	2007/08/29	TRANSFER		*** COMPLETELY DELETED ***	THORNBRIDGE PUSHKIN HOLDINGS LTD.	
REMARKS: PLANNING ACT STATEMENTS						
AT1558257	2007/08/29	CHARGE		*** COMPLETELY DELETED ***	ROMSPEN INVESTMENT CORPORATION	
THORNBRIDGE PUSHKIN HOLDINGS LTD.						

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT1561867	2007/08/31	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
		REMARKS: RE: CA777584				
AT1581033	2007/09/20	CHARGE		*** COMPLETELY DELETED *** THORNBRIDGE PUSHKIN HOLDINGS LTD.	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	
AT1581080	2007/09/20	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** THORNBRIDGE PUSHKIN HOLDINGS LTD.	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	
		REMARKS: CHARGE AT1581033 THIS NOTICE MAY BE DELETED UPON DELETION OF AT1581033				
AT1581599	2007/09/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROMSPEN INVESTMENT CORPORATION		
		REMARKS: RE: AT1558257				
AT2675203	2011/04/27	TRANSFER		*** COMPLETELY DELETED *** THORNBRIDGE PUSHKIN HOLDINGS LTD.	MONK DEVELOPMENT CORPORATION	
AT2675204	2011/04/27	CHARGE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	THORNBRIDGE PUSHKIN HOLDINGS LTD.	
AT2675240	2011/04/27	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	THORNBRIDGE PUSHKIN HOLDINGS LTD.	
		REMARKS: AT2675204.				
AT2675298	2011/04/27	CHARGE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
AT2675482	2011/04/27	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
		REMARKS: AT2675298				
AT2675488	2011/04/27	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
		REMARKS: AT2675298, AT2675482				
AT2678652	2011/04/29	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
		REMARKS: AT2675298				
AT2682671	2011/05/03	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
REMARKS: AT2675298						
AT2682672	2011/05/03	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	B2B TRUST	
REMARKS: AT2675298.						
AT2696038	2011/05/19	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	B2B TRUST	
REMARKS: AT2675298. TRANSFER \$29,000.00						
AT2696042	2011/05/19	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
REMARKS: AT2675298						
AT2696866	2011/05/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** DUCA FINANCIAL SERVICES CREDIT UNION LTD.		
REMARKS: AT1581033.						
AT2704411	2011/05/30	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
REMARKS: AT2675298						
AT2711208	2011/06/03	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
REMARKS: AT2675298						
AT2807511	2011/09/08	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	B2B TRUST THE BANK OF NOVA SCOTIA TRUST COMPANY	
REMARKS: AT2675298.						
AT2807521	2011/09/08	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	B2B TRUST OLYMPIA TRUST COMPANY	
REMARKS: AT2675298.						
AT2808274	2011/09/08	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR, IN TRUST	
REMARKS: AT2675298						
AT2808300	2011/09/08	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR	
REMARKS: AT2675298						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT2823427	2011/09/27	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	B2B TRUST	
		REMARKS: AT2675298.				
AT2845967	2011/10/20	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	OLYMPIA TRUST COMPANY	
		REMARKS: AT2675298. TRANSFER & \$63,000.00 INTEREST				
AT2892272	2011/12/09	CHARGE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	VISRAM, ZAHERALI	
AT2892528	2011/12/09	DISCH OF CHARGE		*** COMPLETELY DELETED *** THORNBRIDGE PUSHKIN HOLDINGS LTD.		
		REMARKS: AT2675204.				
AT2901324	2011/12/20	POSTPONEMENT		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR B2B TRUST OLYMPIA TRUST COMPANY THE BANK OF NOVA SCOTIA TRUST COMPANY	VISRAM, ZAHERALI	
		REMARKS: AT2675298 TO AT2892272				
AT3103955	2012/08/17	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	VISRAM, ZAHERALI	
		REMARKS: AT2892272				
AT3103981	2012/08/17	POSTPONEMENT		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR B2B TRUST OLYMPIA TRUST COMPANY THE BANK OF NOVA SCOTIA TRUST COMPANY	VISRAM, ZAHERALI	
		REMARKS: AT2675298 TO AT-2892272				
AT3318212	2013/06/06	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR OLYMPIA TRUST COMPANY	CENTRO MORTGAGE INC.	
		REMARKS: AT2675298.				
AT3389167	2013/08/27	NOTICE		*** COMPLETELY DELETED *** MONK DEVELOPMENT CORPORATION	PAHUJA, SANJAY KUMAR OLYMPIA TRUST COMPANY CENTRO MORTGAGE INC.	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
REMARKS: RE: AT2675298						
AT3525234	2014/02/21	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	CENTRO MORTGAGE INC.	
REMARKS: AT2675298.						
AT3525257	2014/02/21	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** PAHUJA, SANJAY KUMAR	CHONG, DAVID WILLIAMS, ALVIN E. AMBALAVANAR MEDICINE PROFESSIONAL CORPORATION COWDEN, BRADLEY COLANGELO, BRYAN	
REMARKS: AT2675298.						
AT4174187	2016/03/23	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** B2B TRUST	OLYMPIA TRUST COMPANY	
REMARKS: AT2675298						
AT4219386	2016/05/10	TRANS POWER SALE	\$4,100,000	VISRAM, ZAHERALI	2507448 ONTARIO INC.	
REMARKS: AT289272.						
AT4219387	2016/05/10	CHARGE		*** COMPLETELY DELETED *** 2507448 ONTARIO INC.	1220356 ONTARIO LIMITED 768124 ONTARIO INC. ADLER FAMILY TRUST MISIM INVESTMENTS LIMITED JAZ-MAN DEVELOPMENT CORPORATION JERICO DEVELOPMENT CORPORATION GABRETTA INVESTMENTS LIMITED TAURO, LUCIANO MELE, MICHELE	
AT4219388	2016/05/10	CHARGE		*** COMPLETELY DELETED *** 2507448 ONTARIO INC.	VISRAM, ZAHERALI	
AT4221834	2016/05/19	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2507448 ONTARIO INC.	1220356 ONTARIO LIMITED 768124 ONTARIO INC. ADLER FAMILY TRUST MISIM INVESTMENTS LIMITED JAZ-MAN DEVELOPMENT CORPORATION JERICO DEVELOPMENT CORPORATION GABRETTA INVESTMENTS LIMITED	

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					TAURO, LUCIANO MELE, MICHELE	
		REMARKS: AT4215387.				
AT4392140	2016/11/03	CHARGE	\$575,000	2507448 ONTARIO INC.	GOYAL, MONICA OLYMPIA TRUST COMPANY	C
AT4392157	2016/11/03	NO ASSGN RENT GEN		2507448 ONTARIO INC.	OLYMPIA TRUST COMPANY GOYAL, MONICA	C
		REMARKS: AT4392140				
AT4393968	2016/11/07	CHARGE	\$2,240,750	2507448 ONTARIO INC.	VISRAM, ZAHERALI	C
AT4410539	2016/11/24	POSTPONEMENT		MONICA GOYAL, BARE TRUSTEE OLYMPIA TRUST COMPANY	VISRAM, ZAHERALI	C
		REMARKS: AT4392140 TO AT4393968				
AT4410579	2016/11/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** VISRAM, ZAHERALI		
		REMARKS: AT4215388.				
AT4436800	2016/12/16	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	OLYMPIA TRUST COMPANY ARIF, ABDUL KARIM	C
		REMARKS: AT4392140.				
AT4449460	2017/01/05	CHARGE		*** COMPLETELY DELETED *** 2507448 ONTARIO INC.	OLYMPIA TRUST COMPANY GOYAL, MONICA	
AT4449788	2017/01/05	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2507448 ONTARIO INC.	OLYMPIA TRUST COMPANY GOYAL, MONICA	
		REMARKS: 4449460				
AT4460140	2017/01/16	NOTICE	\$1	OLYMPIA TRUST COMPANY ARIF, ABDUL KARIM	2507448 ONTARIO INC.	C
		REMARKS: AT4392140				
AT4464143	2017/01/19	TRANSFER OF CHARGE		OLYMPIA TRUST COMPANY ARIF, ABDUL KARIM	GOYAL, MONICA OLYMPIA TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4464937	2017/01/19	NOTICE		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				2507448 ONTARIO INC.	1220356 ONTARIO LIMITED 678124 ONTARIO INC. ADLER FAMILY TRUST MISIM INVESTMENTS LIMITED JAZ-MAN DEVELOPMENT CORPORATION JERICO DEVELOPMENT CORPORATION GABRETTA INVESTMENTS LIMITED TAURO, LUCIANO MELE, MICHELE	
		REMARKS: AT4215387				
AT4467265	2017/01/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** OLYMPIA TRUST COMPANY GOYAL, MONICA		
		REMARKS: AT4449460.				
AT4481194	2017/02/07	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY	
		REMARKS: AT4392140.				
AT4513211	2017/03/16	NOTICE	\$2	2507448 ONTARIO INC.	VISRAM, ZAHERALI	C
		REMARKS: AT4393968				
AT4520256	2017/03/27	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4535318	2017/04/11	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4570560	2017/05/17	NOTICE	\$2,624,250	OLYMPIA TRUST COMPANY, GOYAL, MONICA	2507448 ONTARIO INC.	C
		REMARKS: AT4392140.				
AT4612827	2017/06/29	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY	C
		REMARKS: AT4392140.				
AT4648602	2017/08/08	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY	C
		REMARKS: AT4392140.				

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4722991	2017/11/01	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	C
REMARKS: AT4392140.						
AT4731884	2017/11/14	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	C
REMARKS: AT4392140.						
AT4761477	2017/12/15	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	C
REMARKS: AT4392140.						
AT4764223	2017/12/19	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	C
REMARKS: AT4392140.						
AT4799171	2018/02/03	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	C
REMARKS: AT4392140.						
AT4824592	2018/03/20	NOTICE	\$3,583,500	OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY GOYAL, MONICA	2507448 ONTARIO INC.	C
REMARKS: AT4392140, AT4436800, AT4460140, AT4464143, AT4481194, AT4520256, AT4535318, AT4570560, AT4612827, AT4648602, AT4722991, AT4731884, AT4764223 AND AT4799171						
AT4832936	2018/04/03	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	C
REMARKS: AT4392140.						
AT4834357	2018/04/04	CHARGE	\$3,500,000	2507448 ONTARIO INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
AT4834358	2018/04/04	NO ASSGN RENT GEN		2507448 ONTARIO INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
REMARKS: AT4834357.						
AT4834365	2018/04/04	POSTPONEMENT		VISRAM, ZAHERALL	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
REMARKS: AT4393968 TO AT4834357						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
AT4834366	2018/04/04	POSTPONEMENT		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	FIRST SOURCE FINANCIAL MANAGEMENT INC.	E
		REMARKS: AT4392140 AND AT4392157 TO AT4834357 AND AT4834358				
AT4835083	2018/04/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1220356 ONTARIO LIMITED 768124 ONTARIO INC. ADLER FAMILY TRUST MISIM INVESTMENTS LIMITED JAZ-MAN DEVELOPMENT CORPORATION JERICHO DEVELOPMENT CORPORATION GABRETTA INVESTMENTS LIMITED TAURO, LUCIANO MELE, MICHELE		
		REMARKS: AT4215387.				
AT4835341	2018/04/05	NOTICE	\$1,375,750	2507448 ONTARIO INC.	VISRAM, ZAHERALI	E
		REMARKS: AT4393968				
AT4864798	2018/05/16	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY OF CANADA	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY OF CANADA	A
		REMARKS: AT4392140, AT4392140, AT4436800, AT4460140, AT4464143, AT4481194, AT4520256, AT4535318, AT4570560, AT4612827, AT4648602, AT4722991, AT4731884, AT4761477, AT4764223, AT4799171, AT4824592 AND AT4832936				
AT4885660	2018/06/14	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY OF CANADA	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY OF CANADA	A
		REMARKS: AT4392140, AT4392140, AT4436800, AT4460140, AT4464143, AT4481194, AT4520256, AT4535318, AT4570560, AT4612827, AT4648602, AT4722991, AT4731884, AT4761477, AT4764223, AT4799171, AT4824592, AT4832936 AND AT4864798.				
AT4943186	2018/08/24	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY OF CANADA	GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY OF CANADA	A
		REMARKS: AT4392140.				
AT5065440	2019/01/30	TRANSFER OF CHARGE		GOYAL, MONICA OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	GILMORE, ED OLYMPIA TRUST COMPANY COMPUTERSHARE TRUST COMPANY	A
		REMARKS: AT4392140.				

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21241-0114 (LT)

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT5131618	2019/05/08	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	RSM CANADA LIMITED	C

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TAB Q

RSM Canada Limited
Court Appointed Receiver of
581 Wellington Street West, Toronto, Ontario
Interim Statement of Receipts and Disbursements
For the period May 3, 2019 to August 31, 2019

Receipts		
Advance from secured lender (1)	\$	50,000
Other		42
Total receipts	\$	<u>50,042</u>
Disbursements		
Insurance	\$	11,100
Miscellaneous		275
Property Manager		877
Security		1,999
HST/PST paid		1,298
Total disbursements	\$	<u>15,549</u>
Net funds on hand	\$	<u>34,494</u>

- (1) The amount of \$50,000 represents funds advance by First Source Financial Management Inc. under Receiver Certificate o. 1.

This Appendix forms part of the First Report of the Receiver dated September 17, 2019 and should only be read in conjunction therewith.

TAB R

Court File No. CV-19-00613044-00CL

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

BETWEEN:**FIRST SOURCE FINANCIAL MANAGEMENT INC.**

Applicant

- and -

2507448 ONTARIO INC.

Respondent

**AFFIDAVIT OF DANIEL WEISZ
(Sworn September 17, 2019)**

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

1. I am a Senior Vice-President of 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 dated April 8, 2019, issued and entered on April 26, 2019 and effective on May 3, 2019, RSM Canada Limited was appointed as receiver, without security, over the lands and premises municipally known as 581 Wellington Street West, Toronto, Ontario.

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 the Receiver in respect of these proceedings for the period ending August 31, 2019 (the "Period"). The total fees charged for the Period are \$42,845.00, plus HST of \$5,569.85 for a total of \$48,414.85. The average hourly rate charged during the Period was \$398.19.

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 at the City of
Toronto, in the Province of Ontario,
this 17th day of September, 2019



A Commissioner, etc.

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DANIEL WEISZ

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN BEFORE ME
THIS 17th DAY OF SEPTEMBER, 2019**

A handwritten signature in blue ink, consisting of several overlapping loops and lines, positioned above a horizontal line.

A Commissioner, etc.



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
 c/o RSM Canada Limited
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date May 21, 2019

Client File 7835095
Invoice 1
No. 5697804

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of the property at 581 Wellington Street West, Toronto, Ontario (the "Property") for the period ending May 17, 2019.

Date	Professional	Description
01/21/2019	Daniel Weisz	Conference call with J. Larry of Paliare Roland Rosenberg Rothstein LLP ("Paliare") and B. Tannenbaum re status of the Property.
01/24/2019	Daniel Weisz	Review Notice of Application and draft Consent; update Consent and sign and return to Paliare.
02/08/2019	Daniel Weisz	Review draft receivership order and email to D. Rosenbluth of Paliare regarding same.
04/8/2019	Daniel Weisz	Exchange emails with D. Rosenbluth re receivership order granted and effective date of same.
04/23/2019	Daniel Weisz	Discussion with J. Larry on status of pending receivership order becoming effective; discussion with B. Wong on same; discussion with S. Thom of Torkin Manes LLP ("Torkin") re independent counsel.
05/02/2019	Daniel Weisz	Discussion with D. Mandel of First Source Financial Management Inc. ("First Source") re receivership proceeding; review insurance status and email to D. Rosenbluth re same; discussion with D. Mandel re receivership proceeding; review insurance matters; discussion with B. Wong; email to Paliare re insurance; email to J. Tertigas of Tert & Ross Ltd.
05/02/2019	Brenda Wong	Emails with D. Weisz re potential start-up of receivership tomorrow; email to Moreau Property Services ("Moreau") re arranging for locksmith and taking possession; email to HUB International Insurance Brokers ("HUB") re status.
05/03/2019	Daniel Weisz	Discussion with J. Larry re status; review email to debtor making Receivership Order effective; review email from debtor; discussion with D. Rosenbluth re same and review D. Rosenbluth email to the debtor; discussion with B. Wong re matters to be addressed; discussion with S. Thom on file; review receivership order; prepare for and attend at the property with U. Emad to take possession and to meet with Moreau and locksmith; discussion with U. Emad re contacting Toronto Police re the Receiver's appointment;

Date	Professional	Description
		exchange emails with B. Wong re insurance status and discussion with B. Wong; send update memo to First Source.
05/03/2019	Brenda Wong	Calls with Moreau re availability of locksmith and staff for taking possession; review emails re status; emails and calls with Pacific Insurance Broker Inc. re receivership and required changes to existing policy to provide coverage to Receiver; emails to HUB re status and binding coverage starting today and sending photos of property to HUB; calls with Moreau re scheduling Sunday site inspection; discussion with D. Weisz re Pacific policies.
05/03/2019	Usama Emad	Attendance at 581 Wellington to take possession of the Property; changing of the locks, walkthrough of the Property and taking photos; contact security company to inquire about alarm monitoring service; gather information required for insurance for the Property.
05/06/2019	Brenda Wong	Emails to Moreau and Peregrine Protection Inc. ("Peregrine") to request quotes for property management and site inspections.
05/06/2019	Daniel Weisz	Discussion with D. Rosenbluth re access to the premises requested by debtor, discussion with U. Emad on same, follow up email to D. Rosenbluth.
05/07/2019	Brenda Wong	Emails and discussion with Moreau re quote for site inspections/property management and follow up with Peregrine re request for quote; emails with HUB re site inspections and water shut off; review quote from Peregrine; email to Moreau to request quote re water leakage issues.
05/07/2019	Daniel Weisz	Discussion with B. Wong re cost re security patrols at the premises; discussion with U. Emad re his attendance at the premises today; review email from HUB re insurance coverage and discussion with B. Wong on same.
05/07/2019	Usama Emad	Attended at 581 Wellington to give and supervise access by debtor with lender and contractor.
05/08/2019	Daniel Weisz	Email to S. Thom re registering order on title; preliminary review of lease for the premises.
05/08/2019	Brenda Wong	Call to Moreau to follow up re its quote, review quote and call to discuss; email to Moreau to confirm arrangement for services provided; email to Peregrine re setting up site inspections three times per week; respond to HUB re status of water issues.
05/09/2019	Daniel Weisz	Review email from Moreau re repair of front window and discussion with B. Wong on same; discussion with D. Rosenbluth re status; exchange emails with J. Larry re listing proposals for the marketing of the property; discussion with J. Larry re listing the property for sale.
05/09/2019	Brenda Wong	Emails with Moreau re repairs to the window; attend at 581 Wellington for a site inspection; emails with Peregrine and U. Emad re setting up security patrols.
05/10/2019	Daniel Weisz	Review estimate of funds required; discussion with B. Wong re insurance; exchange emails with Paliare Roland re funding request.
05/10/2019	Brenda Wong	Prepare draft budget for next 3 months; call and emails with Peregrine re transfer of keys, invoicing and patrol reports; call from HUB to discuss water issue.
05/10/2019	Usama Emad	Meet security company on-site to conduct a site visit and provide keys to the building; provided instructions for patrols and turn off the water as requested by HUB.

Date	Professional	Description
05/13/2019	Brenda Wong	Review quote from Moreau re window repair or replacement; prepare introduction and documents to be posted for Receiver's web page; prepare letter to BMO Bank of Montreal to open trust account; send email to brokers to request listing proposal; prepare update memo to First Source; respond to email from Peregrine re emergency contact numbers; review draft Notice & Statement of Receiver pursuant to Sections 245 and 246 of the Bankruptcy and Insolvency Act ("S245 Notice"); respond to email from debtor re information required for S245 notice.
05/13/2019	Donna Nishimura	Prepare mailing of S245 Notice to known creditors of the Property.
05/13/2019	Usama Emad	Prepare draft S245 Notice.
05/13/2019	Daniel Weisz	Review quote re window repair, sign letter re opening of trust bank account; meet with B. Wong to discuss listing proposals to be obtained; repairs re window, S245 Notice and other matters relating to the receivership; review emails from the debtor's representative and email to Paliare in respect of same; discussion with J. Larry; review update to lender; prepare email re email from the debtor.
05/14/2019	Brenda Wong	Arrange for Receiver's webpage to be set up and court documents to be posted.
05/15/2019	Usama Emad	Coordinate tours with commercial realty brokers.
05/15/2019	Brenda Wong	Review and respond to emails from brokers and discussion with U. Emad re scheduling site tours.
05/15/2019	Daniel Weisz	Discussion with B. Wong re status of tours, email to D. Rosenbluth to follow up status of funding.
05/16/2019	Usama Emad	Attend at 581 Wellington to meet with three listing brokers to tour the Property.
05/17/2019	Brenda Wong	Review emails from U. Emad and Peregrine; emails to Peregrine and Moreau re issues with closing the back door to the building; review email from D. Weisz re status of refinancing and debtor's request to access the building; call to debtor to discuss his request for access to the building and for the Receiver's final bill; email to Moreau to request costs incurred to date; call with debtor re conditions under which Receiver will allow debtor to remain on site and work from the Property; discussions with J. Larry and D. Weisz re debtor's request for access; discussion with Peregrine re cost for security guard to attend at the Property.
05/17/2019	Daniel Weisz	Discussions with B. Wong re emails from D. Terrelonge re request for access to premises; conference call with J. Larry and B. Wong re same; respond to email from D. Mandel.
		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.

May 21, 2019
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FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	9.9	\$525	\$ 5,197.50
Brenda Wong, CIRP, LIT	Senior Manager	8.2	\$395	3,239.00
Usama Emad, CPA	Senior Associate	13.3	\$195	2,593.50
Donna Nishimura	Estate Administrator	0.2	\$110	22.00
Total hours and professional fees		31.6		\$ 11,052.00
HST @ 13%				1,436.76
Total payable				\$ 12,488.76

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 RSM CANADA LIMITED



GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
Licensed Insolvency Trustee
 11 King St W, Suite 700, Box 27
 Toronto, ON M5H 4C7

212

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

www.rsmcanada.com

To RSM Canada Limited, Court-Appointed Receiver
 c/o RSM Canada Limited
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date September 17, 2019

Client File 7835095
Invoice 2
No. 5776941

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of the property at 581 Wellington Street West, Toronto, Ontario (the "Property") for the period ending August 31, 2019.

Date	Professional	Description
05/21/2019	Brenda Wong	Review summary of activities; prepare estimate of costs to discharge; draft Receiver's report to Court; call from Canada Revenue Agency re Notice and Statement of Receiver received.
05/21/2019	Daniel Weisz	Discussion with B. Wong re status; review and update summary of activities; exchange emails with D. Rosenbluth of Paliare Roland Rosenberg Rothstein LLP ("Paliare") re status of funding and refinancing.
05/22/2019	Brenda Wong	Review emails re status of refinancing; emails to brokers to advise re status of marketing process; call to Colliers to advise of status re submission of listing proposals; review Moreau Property Services ("Moreau") invoices.
05/22/2019	Daniel Weisz	Discussion with J. Larry of Paliare re status; discussion with B. Wong re communications to listing brokers re status of the request for proposals.
05/23/2019	Usama Emad	Attend at the Property for site inspection.
05/24/2019	Brenda Wong	Review Moreau invoices and process for payment.
05/24/2019	Daniel Weisz	Discussion with B. Wong on status; discussion with J. Larry on status.
05/27/2019	Daniel Weisz	Exchange emails with J. Larry re status of refinancing of the Property; emails to the listing brokers re timeline for proposals and review and respond as required.
05/31/2019	Usama Emad	Prepare summary of the listing proposals received from the brokers.
05/31/2019	Daniel Weisz	Review and respond to email from S. Keyzer of Colliers; preliminary review of listing proposal and discussion with U. Emad re summary schedule to be prepared; exchange emails with J. Larry re status of listing proposals and discussion with J. Larry re same; send follow-up emails re listing proposals; discussion with L. Malaka on same.
06/03/2019	Brenda Wong	Review listing proposals and update summary, follow up with Avison Young re question on its proposal; call and emails with E. Gilmore.

Date	Professional	Description
06/03/2019	Daniel Weisz	Discussion with B. Wong on status of receivership administration; preliminary review of Avison Young's listing proposal.
06/04/2019	Brenda Wong	Call and email to Toronto Hydro to set up a new account; email to City of Toronto to notify of the receivership; prepare draft response to email from Sans Souci Mortgage Services Corp.; discussion with D. Weisz re listing proposals and update summary of listing proposals.
06/04/2019	Daniel Weisz	Discussion with B. Wong re email from mortgage broker of third mortgagee; review draft summary of listing proposals and discussion with B. Wong on same; discussion with B. Wong re finalization of listing proposal summary; email to First Source Financial Management Inc. ("First Source") in respect of same; email to D. Rosenbluth re Receiver's request for funding; review draft email to mortgage broker of third mortgagee and discussion with B. Wong on same; discussion with J. Larry re same.
06/04/2019	Usama Emad	Attend at the Property for a site inspection.
06/05/2019	Daniel Weisz	Discussion with J. Larry on status; exchange emails with Cushman & Wakefield; discussion with CBRE.
06/05/2019	Brenda Wong	Review Peregrine Protection Inc. ("Peregrine") invoice for May; prepare draft listing agreement.
06/06/2019	Daniel Weisz	Review Cushman & Wakefield proposal; email to First Source re same; discussion with S. Thom of Torkin Manes LLP ("Torkin") re marketing approach; review of listing agreement; discussion with J. Larry re listing proposals received; exchange emails with D. Mandel of First Source re same; discussions with S Walters of First Source re the sales process; forward emails to two additional brokers requesting listing proposals; discussion with a listing broker.
06/07/2019	Anne Baptiste	Prepare disbursement cheques.
06/07/2019	Brenda Wong	Review emails re sales process and funding; respond to email from a broker.
06/07/2019	Daniel Weisz	Email to D. Rosenbluth re status of funding; discussion with B. Wong on status of listing proposals; discussion with representative of Harvey Kalles; discussion with N. Salamon re interest rate on advance; prepare Receiver Certificate #1 and exchange emails with N. Salamon regarding same.
06/10/2019	Brenda Wong	Email to D. Terrelonge to request copies of reports, etc., for the property; review letter from party claiming secured interest and forward to S. Thom; call and email with First Source re fee payable re Receiver Certificate.
06/10/2019	Usama Emad	Attend at the Property for site tour with a real estate broker.
06/11/2019	Brenda Wong	Review draft letter by Torkin and discussion with S. Thom re same; update the service list; call from D. Johnson re his security; call from D. Terrelonge re fence and his meeting with mortgagee and a trustee.
06/12/2019	Brenda Wong	Review email from J. Russo, emails with D. Weisz and S. Thom re same, and draft response.
06/14/2019	Anne Baptiste	Prepare disbursement cheques.
06/14/2019	Brenda Wong	Review listing proposal from Harvey Kalles and update summary of proposals; call to Harvey Kalles to ask for additional information.
06/17/2019	Daniel Weisz	Discussion with B. Wong on status; discussion with J. Larry re status of listing proposals received; revise Receiver Certificate #1 and send to First Source.

Date	Professional	Description
06/18/2019	Brenda Wong	Email to Harvey Kalles re questions on listing proposal and review response; email to D. Terrelonge to follow up re request for marketing materials; emails with insurance broker to request quote and send information on the Property.
06/18/2019	Daniel Weisz	Review email from J. Larry re email from J. Russo and respond to same.
06/19/2019	Brenda Wong	Call with insurance broker to discuss the Property.
06/19/2019	Daniel Weisz	Review proposal submitted by Harvey Kalles; review and update email relating to the proposals and discussion with B. Wong on same.
06/20/2019	Daniel Weisz	Review files and send emails to certain real estate brokers re their listing proposals; discussion with S. Thom re status of listing proposals; review email from CBRE and reply to same; review email from Avison Young and reply to same.
06/21/2019	Daniel Weisz	Review updated listing proposal summary and email to J. Larry re same.
06/21/2019	Brenda Wong	Update summary of listing proposals.
06/24/2019	Daniel Weisz	Discussion with J. Larry re his discussion with J. Russo and exchange emails with J. Larry re same.
06/25/2019	Brenda Wong	Complete and return Vacant Dwelling Application to insurance broker.
06/25/2019	Daniel Weisz	Discussion with S. Thom regarding status.
06/27/2019	Daniel Weisz	Respond to email from Cushman & Wakefield.
06/28/2019	Daniel Weisz	Email to J. Larry enquiring re status.
07/02/2019	Brenda Wong	Review emails re status; call with First Source and Torkin re listing broker.
07/02/2019	Daniel Weisz	Discussion with S. Walters; call in to J. Russo; discussion with J. Russo; discussion with B. Wong on status; review and exchange emails with J. Larry; discussion with S. Thom; discussion with S. Walters re contacts made to the Receiver; prepare for and attend call with S. Walters, S. Thom and B. Wong to discuss the status of a potential refinancing of the Property and the listing of same; subsequent discussion with S. Thom; discussion with S. Walters.
07/03/2019	Daniel Weisz	Review email from J. Russo and forward to S. Walters and J. Larry; discussion with S. Walters re same; review email from J. Larry and reply to same; discussion with S. Thom ahead of his call with J. Larry; discussion with B. Wong re listing agreement; review emails from J. Russo and respond thereto.
07/03/2019	Brenda Wong	Update draft listing agreement; emails with Peregrine re June security patrols; review emails from J. Russo.
07/05/2019	Brenda Wong	Site visit to the Property.
07/08/2019	Daniel Weisz	Discussion with B. Wong on status; exchange emails with D. Terrelonge re request to meet; discussion with S. Walters re status; discussion with J. Larry on status; meet with D. Terrelonge and B. Wong to discuss the status of the receivership; discussion with S. Walters re same.
07/08/2019	Brenda Wong	Email to D. Terrelonge re mail received at 581 Wellington; meet with D. Weisz and D. Terrelonge re status of the receivership.
07/08/2019	Usama Emad	Conduct site visit at the Property.
07/09/2019	Brenda Wong	Review summary of activities; prepare cheque requisition for Peregrine invoice; review emails re status.

Date	Professional	Description
07/09/2019	Daniel Weisz	Discussion with M. Milosevic of Corestone Law and subsequent discussion with S. Thom; discussion with J. Larry on status; discussion with D. Terrelonge and subsequent discussion with S. Thom re same; review draft listing agreement and forward same for comments to S. Thom and J. Larry; discussion with J. Larry re status; review subsequent emails.
07/10/2019	Daniel Weisz	Conference call with B. Wong, K. Avison and B. Sykes of Avison Young re listing of the Property; email to First Source re same; discussion with B. Wong on D. Terrelonge request for attendance at the Property.
07/10/2019	Brenda Wong	Respond to email from S. Thom re lease; email/calls with Moreau to arrange for attendance on site on July 11; emails with D. Terrelonge re access for July 11 and request for information on the Property; call from D. Terrelonge re information requested; call with Avison Young re acceptance of its listing proposal and status; emails to brokers to advise of Receiver's decision; review information on the Property provided by First Source.
07/11/2019	Daniel Weisz	Discussion with S. Thom re draft listing agreement and lease in place; email to J. Larry re comments on listing agreement; email to Avison Young enclosing draft listing agreement; discussion with S. Thom re lease; discussion with K. Avison re listing agreement; discussion with J. Larry re lease.
07/12/2019	Daniel Weisz	Review emails from D. Terrelonge re his attendance at the Property yesterday and damage to a prototype light; finalize listing agreement for changes, sign same and forward to Avison Young for signature; email to First Source re status of listing agreement; discussion with B. Wong re items remaining at the Property and tours to be conducted; discussion with B. Wong on email to D. Terrelonge and his response thereto.
07/12/2019	Brenda Wong	Review and respond to email from My Insurance Broker re its quote; emails with HUB re extension of insurance; respond to emails from interested parties; review and respond to emails from D. Terrelonge re broken light and doors; emails or calls to U. Emad, Moreau, and security company re same; email to Avison Young re keys and site tours; emails with D. Terrelonge re removal of property and listing agreement.
07/15/2019	Brenda Wong	Discussion with B. Sykes re marketing status and timing, listing price and building repairs to be addressed; emails to D. Terrelonge to follow up on arrangements for move and information requested.
07/15/2019	Daniel Weisz	Discussion with B. Wong on status of Avison Young marketing and pending discussion with Avison Young re listing price and posting thereof; review email from D. Terrelonge re removal of chattels.
07/16/2019	Daniel Weisz	Review draft email to D. Terrelonge and discussion with B. Wong on same; discussion with B. Wong re status of information requested; discussion with J. Larry on status.
07/16/2019	Brenda Wong	Review and draft response to email from D. Terrelonge; follow up with Moreau re their availability for site attendance on July 17; follow up with D. Terrelonge re information requested and site visit tomorrow and confirm arrangements with Moreau.
07/17/2019	Brenda Wong	Review email from J. Russo re status of financing; discussion with Moreau re site visit today; emails with D. Terrelonge re water being turned on; email to HUB re whether water turn off; discussion with K. Avison re marketing; obtain current property tax statement; letter to bailiff to advise of receivership.

Date	Professional	Description
07/17/2019	Daniel Weisz	Review email from J. Russo and email to J. Larry re same; discussion with B. Wong on status; send email in response to J. Russo; discussion with J. Larry.
07/18/2019	Brenda Wong	Emails with HUB re leaving water on at the Property.
07/18/2019	Daniel Weisz	Review email from D. Terrelonge and email to S. Thom re same; discussion with B. Wong re emails on insurance; discussion with S. Eiley of Torkin re bill of sale to be prepared.
07/19/2019	Daniel Weisz	Discussion with B. Wong re email from Avison Young re attendance at the Property and obtaining environmental report.
07/19/2019	Anne Baptiste	Prepare disbursement cheques.
07/19/2019	Brenda Wong	Review email from Avison Young re condition of the Property and emails to clarify same; email to Moreau regarding same; call from bailiff re status of the Property; call to AEL Environmental to discuss Phase II report; email to Avison Young re listing status.
07/22/2019	Brenda Wong	Reply to My Insurance Broker re its quote; call with E. Moreau re quotes for repairs, garbage removal and re-securing ladder to roof hatch.
07/22/2019	Daniel Weisz	Review email from J. Larry re environmental report and discussion with B. Wong on same.
07/23/2019	Brenda Wong	Discussion and emails with AEL Environment re the Receiver's use of its Phase II report; emails with D. Terrelonge re garbage bags on site; review quote from Moreau for repairs and discussion with E. Moreau re same; email to Avison Young re quote for roof; email to D. Terrelonge re Phase II report.
07/23/2019	Daniel Weisz	Review emails re environmental report and discussion with B. Wong on same.
07/24/2019	Usama Emad	Set up of on-site meeting Friday with D Terrelonge; correspondence regarding sale of the Property, and attend to other matters related to site visit.
07/24/2019	Brenda Wong	Meet with D. Weisz to discuss Moreau quote and D. Terrelonge's email; respond to D. Terrelonge's email re release of Phase II; U. Emad to make arrangements to meet with D. Terrelonge at site; email to Avison Young re Moreau quote; respond to D. Terrelonge re architectural plans; draft update memo to lender.
07/24/2019	Daniel Weisz	Review email from D. Terrelonge and draft reply thereto, discussion with J. Simpson and discussion with B. Wong re same; meet with B. Wong to discuss repairs to the Property and, renewal of insurance; review D. Terrelonge response to email and discussion with B. Wong on same; review update to lender.
07/26/2019	Daniel Weisz	Discussion with B. Wong on the status of various matters.
07/26/2019	Usama Emad	Site visit at 581 Wellington to meet D. Terrelonge to identify garbage to be removed.
07/26/2019	Brenda Wong	Discussion with D. Weisz re status; revise disclaimer and send Phase II report to Avison Young for data room; review City of Toronto Tax Account Statement received; review list of items to be disposed.
07/26/2019	Anne Baptiste	Prepare June bank reconciliation.
07/29/2019	Brenda Wong	Discussion with B. Sykes re quote for roof repairs and other work to be done; discussion with D. Weisz re status and moving ahead with repairs; review draft marketing brochure and discussion with D. Weisz re same; send insurance

September 17, 2019

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Date	Professional	Description
		policy documents to First Source; discussion and email with E. Moreau re repairs to be done; email to D. Terrelonge re garbage to be removed.
07/29/2019	Daniel Weisz	Discussion with B. Wong re Avison Young quote re roof repair; discussion with S. Walters re status of the receivership administration; discussion with J. Larry re proceeding with repairs to the Property in anticipation of the sales process; review draft marketing materials and discussion with B. Wong on same.
07/30/2019	Brenda Wong	Email to D. Terrelonge to request time to remove personal property; send follow-up email to Peregrine re light and other issues.; email to Avison Young re changes to draft marketing brochure.
07/31/2019	Anne Baptiste	Prepare disbursement cheque; filing re banking.
07/31/2019	Daniel Weisz	Review and sign cheque; discussion with B. Wong re fixtures/chattels at the premises.
07/31/2019	Brenda Wong	Review and respond to email from Peregrine re update on site; emails with Avison Young re chattels.
08/01/2019	Brenda Wong	Discussion with D. Weisz and S. Thom re treatment of chattels.
08/01/2019	Daniel Weisz	Review email from K. Avison re fixtures at the property and email to S. Thom re same; conference call with S. Thom and discussion with B. Wong re fixtures at the premises and sales process; exchange emails with S. Eiley re preparation of an agreement of purchase and sale.
08/06/2019	Brenda Wong	Review email from HUB re policy documents and requirement for professional snow removal; follow up with Moreau re status of repairs; review Peregrine invoice for payment.
08/07/2019	Brenda Wong	Review Peregrine revised invoice and July patrol reports and email to Peregrine re same; discussion with Moreau re status of repairs; discussion with U. Emad re preparing a list of fixtures versus furnishings to be removed; discussion with D. Weisz re status; discussion with B. Sykes re status of repairs and marketing launch; draft update memo to First Source.
08/07/2019	Daniel Weisz	Discussion with B. Wong on status of repairs and timing of the marketing of the Property; review and update lender update and discussion with B. Wong on same, finalize the update and send.
08/07/2019	Usama Emad	Review of email correspondence with Avison Young regarding fixtures at the Property; attend at the Property to prepare a list of fixtures and chattels, review list of repairs to be done and the status of repairs.
08/08/2019	Anne Baptiste	Prepare disbursement cheques; filing re banking.
08/08/2019	Daniel Weisz	Review of schedule listing fixtures and chattels at the property and B. Wong re same.
08/09/2019	Daniel Weisz	Discussion with B. Wong re her discussion with S. Thom.
08/09/2019	Brenda Wong	Review and make edits to the list of chattels/fixtures and send to Torkin for review; discussion with S. Thom re list; send list to Avison Young for comments; review Moreau August invoices for repairs; emails with Moreau re quote for roof replacement and completion of repairs and bill for July services; follow up with Toronto Hydro re setting up account for the Receiver.
08/09/2019	Brenda Wong	Review revised marketing brochure and email Avison Young re same and status of repairs.
08/09/2019	Usama Emad	Make edits to list of fixtures and chattels for the Property.

Date	Professional	Description
08/12/2019	Brenda Wong	Follow up with Torkin and Avison Young re list of chattels; call from S. Thom re list of chattels and make edits to the list; review draft email from Torkin.
08/13/2019	Brenda Wong	Review updated list of chattels and discussion with U. Emad re same; review and make changes to draft email to D. Terrelonge; review Torkin email to D. Terrelonge and D. Terrelonge's response; review Peregrine site inspection reports.
08/13/2019	Daniel Weisz	Review quote re roof repair; review draft email to D. Terrelonge and discussion with B. Wong on same.
08/13/2019	Usama Emad	Attend at the Property to review and finalize list of chattels; complete list and send to B. Wong for final review.
08/14/2019	Brenda Wong	Respond to D. Terrelonge re his request to access the building on August 16; review emails from Avison Young re status of marketing; review email from Torkin to D. Terrelonge requesting of list of items claimed, discussion with S. Thom re list and D. Terrelonge's upcoming visit; review list of items and equipment list provided by D. Terrelonge's counsel.
08/14/2019	Daniel Weisz	Review email from K. Avison and email to S. Walters re status of the sale of the Property.
08/14/2019	Usama Emad	Discuss and coordinate with B. Wong the site visit scheduled for August 16 with D. Terrelonge.
08/15/2019	Usama Emad	Attend at the Property for site visit; review list of items submitted by D. Terrelonge; cross-reference to list of chattels compiled by the Receiver; identify items on both lists, plus items physically inspected on-site; discuss same with D. Weisz; forward cross-referenced list to S. Thom.
08/15/2019	Daniel Weisz	Discussion with S. Thom re email re list of chattels and equipment sent by counsel to the debtor/Mr. Terrelonge; conference call with B. Sykes and S. Thom re same; discussion with K. Avison; discussion with U. Emad re the list of chattels prepared compared to list provided; review draft agreement of purchase and sale and email to S. Eiley re same; meet with U. Emad re listings of chattels, equipment.
08/16/2019	Daniel Weisz	Discussions with S. Thom re issue of fixtures claimed; meet with B. Wong and U. Emad re attendance at the Property; discussion with B. Wong re matters relating to the sale process.
08/16/2019	Brenda Wong	Review email from Moreau re interested party and forward to Avison Young; review emails re chattels; review and respond to email from Toronto Hydro re setting up a new account; discussion with U. Emad and D. Weisz re status.
08/19/2019	Brenda Wong	Review MLS form prepared by Avison Young.
08/20/2019	Brenda Wong	Review edits to agreement of purchase and sale and list of Excluded Chattels and discussion with S. Thom re same; review D. Weisz comments on MLS listing agreement.
08/20/2019	Daniel Weisz	Review S. Thom suggested changes to agreement of purchase and sale and email to S. Thom re same; discussion with S. Thom re agreement of purchase and sale and matters relating thereto; review MLS agreement and email to S. Thom and J. Larry re same.
08/21/2019	Brenda Wong	Review Moreau invoice and email to Moreau re question; attend at the Property with Torkin; call with Avison Young and Torkin re agreement of purchase and sale and chattels and forward copy of lease to Avison Young.

Date	Professional	Description
08/21/2019	Daniel Weisz	Discussion with S. Thom re MLS agreement, update same, discussion with J. Larry on same and finalize and sign MLS agreement; email to K. Avison re same; discussion with S. Thom re agreement purchase and sale and matters relating thereto including plan to attend at the Property; review newspaper advertisement for sale of the Property and email to K. Avison re same; attend conference call with K. Avison, S. Thom and B. Wong re terms of the agreement of purchase and sale re lease and fixtures; review updated MLS agreement and sign; discussion with S. Thom re his discussion with counsel to D. Terrelonge.
08/22/2019	Anne Baptiste	Prepare disbursement cheques.
08/22/2019	Daniel Weisz	Review draft email from S. Thom to counsel for the debtor and email to S. Thom re same.
08/23/2019	Brenda Wong	Review Torkin emails to M. Milosevic re rhed leases; discussion with Moreau re parking issue and broken glass in front door.
08/23/2019	Daniel Weisz	Meet with B. Wong re the status of various matters; review S. Thom changes to draft agreement of purchase and sale; email to K. Avison re same.
08/26/2019	Brenda Wong	Call with S. Thom and D. Weisz re status.
08/26/2019	Daniel Weisz	Discussion with K. Avison re the status of review of the form of agreement of purchase and sale; conference call with B. Wong and S. Thom re S. Thom discussion with M. Milosevic and Receiver's position re same.
08/27/2019	Brenda Wong	Update draft report; review outstanding disbursements and follow up with Moreau re its account to be revised; prepare summary of cash position; review Peregrine site inspection reports.
08/27/2019	Daniel Weisz	Discussion with S. Walters re possible refinancing; call in to B. Milburn of SRLaw; email to S. Thom re same; discussion with S. Thom re potential refinancing and his discussion with M. Milosevic; discussion with J. Larry re status; review draft estimated costs to completion of receivership administration; discussion with B. Milburn re status; discussion with S. Thom re same; email to B. Milburn.
08/28/2019	Brenda Wong	Review email correspondence; email to B. Milburn re Receiver's revised cost estimate; call with K. Avison re extending deadline for offers and update on rhed lease and debtor's refinancing efforts; make updates to draft report; review emails from Toronto Hydro and forward final bill to D. Terrelonge; call from Torkin and with Avison Young re irrevocable date for offers.
08/28/2019	Usama Emad	Site visit at the Property to review the status of roof/window repairs and any new water seepage.
08/28/2019	Daniel Weisz	Discussion with S. Walters re statement to be provided to the debtor and discussion with B. Wong on same.
08/29/2019	Brenda Wong	Update the Receiver's draft report; follow up with Avison Young re new roof leak noted on site inspection yesterday; email to Moreau regarding same; discussion with E. Moreau re parking, security of door, photos of the roof and water.
08/29/2019	Usama Emad	Report on the Property site visit and water located.
08/29/2019	Daniel Weisz	Discussion with S. Thom re considerations re sale process and pending court date re status of lease and chattels; work on report to court; review Master

September 17, 2019
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Date	Professional	Description
		Lease Agreement and email to S. Thom and K. Avison; discussion with S. Thom.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	32.4	\$ 525	\$ 17,010.00
Brenda Wong, CIRP, LIT	Senior Manager	32.0	\$ 395	12,640.00
Usama Emad, CPA	Senior Associate	10.2	\$ 195	1,989.00
Anne Baptiste	Estate Administrator	1.4	\$ 110	154.00
Total hours and professional fees		76.0		\$ 31,793.00
HST @ 13%				4,133.09
Total payable				\$ 35,926.09

VISA/MASTERCARD

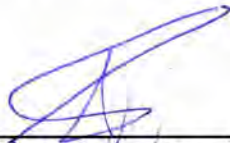
Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
 RSM Canada Limited

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN BEFORE ME
THIS 17th DAY OF SEPTEMBER, 2019**

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned above a solid black horizontal line.

A Commissioner, etc.

In the Matter of the Receivership of
581 Wellington Street West, Toronto, Ontario
Summary of Receiver's Fees
For the Period ending August 31, 2019

Invoice Date	Period	Hours	Fees	HST	Total	Average Hourly Rate
21-May-19	Period ending May 17, 2019	31.6	\$ 11,052.00	\$ 1,436.76	\$ 12,488.76	\$ 349.75
17-Sep-19	May 21 to to August 31, 2019	76.0	31,793.00	4,133.09	35,926.09	\$ 418.33
Total		107.6	\$ 42,845.00	\$ 5,569.85	\$ 48,414.85	\$ 398.19

TAB S

Court File No. CV-19-00613044-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

2507448 ONTARIO INC.

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, and section 101 of the *Courts of Justice Act*,
R.S.O. 1990, c. C.43

AFFIDAVIT OF JEFFREY J. SIMPSON

I, Jeffrey J. Simpson, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am a Lawyer with the law firm of TORKIN MANES LLP (“**Torkin Manes**”), which has been engaged as independent counsel, to RSM Canada Limited in its capacity as court appointed Receiver (in such capacity, the “Receiver”) over the lands and premises municipally known as 581 Wellington Street West, Toronto, Ontario and as such have knowledge of the matters to which I hereinafter depose either through my own knowledge or by informing myself with respect thereto in which case I have indicated the source of my information and belief.


2. Attached hereto as **Exhibit "A"** are true copies of the accounts issued by Torkin Manes to the Receiver, which includes detailed descriptions of the work performed for the period from April 24, 2019 to and including August 31, 2019. The total fees charged by Torkin Manes to the

Receiver during this period were \$30,357.50, plus HST of \$3,946.48, plus disbursements of \$318.85, plus HST on disbursements of \$25.40, for a total amount of \$34,648.23.

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

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

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on September 17, 2019



Commissioner for Taking Affidavits
(or as may be)

} 

JEFFREY J. SIMPSON

This is Exhibit "A" referred to in the Affidavit of Jeffrey J. Simpson
sworn September 17, 2019

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

Commissioner for Taking Affidavits (or as may be)

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

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



July 31, 2019

Invoice No.: 320933

Attention: Daniel Weisz
RSM Canada
11 King St. W., Suite 700
Box 27
Toronto, ON M5H 4C7

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

RE: Receivership of 2507448 Ontario Inc.
File No.: 34487.0004

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Apr 24 19	SDT	Discussions with counsel and Receiver re appointment order status of potential refinancing; review of application record and related materials	0.80
Apr 29 19	SDT	Communications with Receiver re status of appointment and potential refinancing; review amending orders	0.30
May 03 19	SDT	Correspondence with Receiver re recent communications from Debtor and Issued Amended Order	0.30
May 03 19	SDT	Communications with Receiver re notice of default and election to appoint Receiver; review communications from First Source re same	0.30
May 08 19	SE	Reviewed Court Order and attended to matters re registration	0.20

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 Our File No.: 34487.0004
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May 08 19	SDT	Communications with Receiver; communications with real estate department re registration of Order on title	0.30
May 08 19	AR	Receipt and review of Court Order; drafted Application to Register Court Order and attended to registration of same; correspondence with Stewart Thom	0.60
May 28 19	AR	Revised Application to Register Court Order as requested by Land Registry Office	0.30
May 28 19	SDT	Receipt of communications from Land Registry Office ("LRO") re registration of Order on title and issue relating to applicant name; communications with real estate department re additional information required to be provided to LRO	0.60
Jun 03 19	SDT	Communications with Receiver re obtaining listing proposal for Wellington property	0.10
Jun 03 19	SDT	Communications with Receiver re listing proposals received from Avison Young, Cushman Wakefield and CBRE re Wellington property; review of listing proposals and Receiver summary of same	0.70
Jun 06 19	SDT	Communications with Receiver re listing proposal and secured creditor request for additional listing proposals and related issues	0.30
Jun 10 19	SDT	Communications with Receiver re Receiver's borrowings and terms of same	0.30
Jun 11 19	SDT	Communications with Receiver re correspondence received from Dalton Johnson and claim for unregistered security interest and/or charge on property; preparation of correspondence to Mr. Johnson in	0.50

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		response to same	
Jun 11 19	SDT	Communications with Receiver re correspondence received from Joanne Russo and response to same	0.30
Jun 12 19	SDT	Communications with Receiver and counsel for First Source re status of potential refinancing and response to same	0.10
Jun 18 19	SDT	Communications with Receiver re status and issues	0.20
Jun 19 19	SDT	Review of additional listing proposal and summary of same provided by Receiver	0.30
Jun 21 19	SDT	Communications with Receiver re revised listing proposal received from Avison Young and CBRE; review of summary of same	0.20
Jun 25 19	SDT	Communications with Receiver re selection of listing proposal and preparation of report	0.20
Jul 02 19	SDT	Review listing proposals; communications with receiver and first source re same	1.60
Jul 08 19	SDT	Communications with receiver re listing proposal and related issues	0.40
Jul 09 19	JR	Confer with Stewart Thom re: potential attendance at commercial Court re: listing of property; receive and review correspondence between Stewart Thom and Maja Milosevic re: potential commercial court attendance;	0.20
Jul 10 19	SJ	Ascertained the corporate status of and obtained a profile report for 1586091 Ontario Limited and a business name report for 'rhed'	0.20

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Torkin Manes
 Barristers & Solicitors

Jul 10 19	SDT	Review of lease; communications with receiver re same; obtained corporate profile report re 1586091 Ontario Limited c/s RHED	1.30
Jul 11 19	SDT	Review of draft listing agreement and communications with receiver re same	0.60
Jul 12 19	JR	E-mail to Stewart Thom re: potential attendance at 9:30 a.m. chambers appointment	0.10
Jul 24 19	JJS	Receipt of e-mail from Mr. Weisz regarding latest communications from Mr. Terrelonge in respect of phase II environmental report and response thereto; preparation of wording in respect of caveat in data room regarding environmental report	1.20

Total Hours: 12.50

OUR FEE:	\$5,863.50
HST:	\$762.26
SUB-TOTAL:	<u>\$6,625.76</u>

LAWYERS' SUMMARY: FEES SUBJECT TO HST:

<u>LAWYERS AND LEGAL ASSISTANTS INVOLVED</u>	<u>HOURLY RATE</u>	<u>HOURS WORKED</u>
Angie Riches	250.00	.90
Shalan Jankowski	290.00	.20
Stewart D. Thom	475.00	9.70
Stephanie Eiley	500.00	.20
James A. Round	510.00	.30
Jeffrey Simpson	600.00	1.20
TOTAL HOURS		12.50

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DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Agents fees	16.00
Title search disbursements	29.85
Laser copies	59.70
Processing Fee - Registration	10.75
	<hr/>
	116.30

NON-TAXABLE DISBURSEMENTS:

Register	64.40
Title search disbursements	17.00
Corporate search	16.00
	<hr/>
	97.40

Total Disbursements	\$213.70
HST on Disbursements	\$15.12

TOTAL DISBURSEMENTS AND HST:	<hr/>	\$228.82
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TOTAL FEE, DISBURSEMENTS & HST		<hr/>	\$6,854.58
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Our File No.: 34487-0004
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Torkin | Manes
Barristers & Solicitors

BALANCE DUE AND OWING BY YOU

\$6,854.58

TORKIN MANES LLP

Per:


Barry A. Cohen

E. & O. E.

HST REGISTRATION NUMBER: R117245456

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

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

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

Torkin | Manes
 Barristers & Solicitors

August 31, 2019

Invoice No.: 322124

Attention: Daniel Weisz
 RSM Canada
 11 King St. W., Suite 700
 Box 27
 Toronto, ON M5H 4C7

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

RE: Receivership of 2507448 Ontario Inc.
 File No.: 34487.0004

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Jul 18 19	SE	Telephone discussion with client re new Agreement of Purchase and Sale ("APS")	0.20
Aug 01 19	SDT	Communications with Receiver and Avison Young re items located at property and status of same and issues relating to sale and draft brochure; review of Phase II ESA and communications with Mr. Simpson re same	1.70
Aug 01 19	SDT	Communications with real estate department re preparation of draft APS re Wellington property and related issues	0.30
Aug 07 19	SDT	Correspondence with Receiver re update on status and pending issues	0.20
Aug 09 19	SDT	Communications with Receiver re fixtures and chattels located on property and attendance of Del Terrelonge at property; review of list of fixtures/chattels prepared by	1.20

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Torkin Manes
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		Receiver and discussions with Receiver re same	
Aug 12 19	SDT	Discussions with Receiver re communications with 2507448 Ontario Inc. ("250") on removal of chattels and treatment of fixtures at property; preparation of correspondence to Del Terrelonge re same; discussions with Receiver re issues concerning chattels/fixtures	1.90
Aug 13 19	SDT	Communications with Receiver re revisions to chattel/fixture list and correspondence to 250; communications with Mr. Terrelonge	1.30
Aug 14 19	SDT	Communications with Receiver and real estate department re preparation of baseline APS re Wellington property	0.30
Aug 14 19	SE	Received and reviewed e-mails from client and agent re marketing of property; drafted Agreement of Purchase and Sale; e-mail correspondence with client; review of title search	1.00
Aug 14 19	SDT	Communications with counsel for 250 re Commercial Lease Agreement and Equipment Lease in favour of Rhed; review of same; communications with Receiver re same	2.10
Aug 15 19	SK	Receipt of e-mail from Stewart Thom and review of documents attached thereto; telephone call with Stewart Thom re same	0.50
Aug 15 19	SE	Received and reviewed e-mails from client re comments on Agreement of Purchase and Sale; telephone discussion with Stewart Thom re equipment lease, fixtures and revisions to Agreement of Purchase and Sale	0.40
Aug 15 19	SJ	Conducted a PPSA search against 250	0.20

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Aug 15 19	SDT	Review draft APS; review Receiver comments on draft APS; revisions to draft APS and discussions with real estate department re same; preparation of draft Approval and Vesting Order; review of parcel register and Personal Property Security Act ("PPSA") registry searches; meeting with Stephen Skorbinski re research required; communications with counsel for 250; review of cross referenced list of items at property with items claimed by 250/Rhed	6.20
Aug 16 19	SDT	Communications with counsel for 250	0.30
Aug 19 19	SK	Conducted research re classification of articles as fixtures/chattels; drafted memo re same	2.50
Aug 19 19	SJ	Obtained copies of real property instruments registered on title of the property known municipally as 581 Wellington Street West	0.40
Aug 19 19	SDT	Further revisions to APS; review of memorandum of law and case law re chattel/fixtures issue; obtained and review various instrument registrations on title to property; communications with counsel for 250; communications with receiver re form of APS	3.90
Aug 20 19	SK	Completed memo re chattel and fixture classification; corresponded with Stewart Thom re same	0.90
Aug 20 19	SDT	Communications with Receiver re changes to APS; revisions to APS; communications with Receiver re items located at property and review of photographs taken re same	2.30

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Torkin | Manes
 Barristers & Solicitors

Aug 21 19	SE	Telephone discussion with Stewart Thom re fixtures and exclusion in Agreement of Purchase and Sale, termination of non arms length lease	0.70
Aug 21 19	SK	Telephone call with Stewart Thom re fixtures and whether classification as such is subject to change	0.20
Aug 21 19	SDT	Communications with counsel for 250 re property issues and position of 250 re removal of property from premises/commercial lease issue; communications with Receiver re revisions to APS required to account for property issues with 250; communications with Avison Young re proposed revisions to APS; revisions to APS and communications with real estate department re same; attendance at property to inspect premises and items located on premises	6.80
Aug 22 19	SK	Conducted follow up research re chattel vs. fixture and whether the removal of an affixed item restores the item to chattel status	0.70
Aug 22 19	KB	Consultation with Stewart Thom on real estate issues	0.50
Aug 22 19	SDT	Communications with counsel for 250 and with Receiver; preparation of correspondence to counsel for 250 re position of Receiver on property issues, priority of claims to items listed in equipment lease and related issues	2.80
Aug 23 19	SK	Further research regarding whether a fixture is restored to its chattel status upon removal; updated memo re same	1.50

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Aug 26 19	SDT	Correspondence and communications with Receiver; communications with counsel for 250; review of commercial lease documentation and consideration of issues; review of case law re termination of lease	4.10
Aug 27 19	SK	Meeting with Stewart Thom regarding disclaiming lease; conducted research re same	1.20
Aug 27 19	SE	Reviewed and replied to agent's comments on Agreement of Purchase and Sale; correspondence with Stewart Thom	0.30
Aug 27 19	SDT	Communications with Receiver and First Source re request for payout statement and calculation of fees to discharge and complete receivership; communications with counsel for 250 re position of 250 re lease termination and recovery of property from premises; communications with student re additional legal research required; communications with court re obtaining court date for resolution of lease and chattel/fixtures issues	2.80
Aug 28 19	SK	Initial research regarding vesting out orders in respect of leaseholder interests; drafted memo re same	1.80
Aug 28 19	SK	Research regarding vesting orders in respect of leaseholder interests; drafted memo re same	0.40
Aug 28 19	SDT	Communications with Court re scheduling of motion for advice and directions	0.60
Aug 28 19	SDT	Communications with Avison Young and Receiver re revisions to template APS; communications with real estate department re same; revisions to APS	0.50

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Aug 29 19	SK	Further research re vesting orders; drafted memo re same	1.10
Aug 30 19	SK	Continued draft memorandum re vesting out orders; corresponded with Stewart Thom re same	1.20
Aug 30 19	SDT	Review memorandum re potential termination of Commercial Lease Agreement	0.70
Total Hours:			55.70

OUR FEE:	\$25,000.00
HST:	\$3,250.00
SUB-TOTAL:	<u>\$28,250.00</u>

LAWYERS' SUMMARY: FEES SUBJECT TO HST:

LAWYERS AND LEGAL ASSISTANTS INVOLVED	HOURLY RATE	HOURS WORKED
Shalan Jankowski	290.00	.60
Stephen Skorbinski	310.00	12.00
Stewart D. Thom	475.00	40.00
Stephanie Eiley	500.00	2.60
Ken Beallor	600.00	.50
TOTAL HOURS		55.70

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Agents fees	12.50
Document Scanning	18.90
Title search disbursements	39.90
Laser copies	7.80

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Torkin | Manes
 Barristers & Solicitors

	79.10	
NON-TAXABLE DISBURSEMENTS:		
Title search disbursements	18.05	
Personal Prop Securities Act search	8.00	
	<hr/>	
	26.05	
Total Disbursements	\$105.15	
HST on Disbursements	\$10.28	
TOTAL DISBURSEMENTS AND HST:		<hr/> \$115.43
TOTAL FEE, DISBURSEMENTS & HST		\$28,365.43
BALANCE DUE AND OWING BY YOU		\$28,365.43

TORKIN MANES LLP

Per: 

Barry A. Cohen

E. & O. E.

HST REGISTRATION NUMBER: R117245456

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

This is Exhibit "B" referred to in the Affidavit of Jeffrey J. Simpson
sworn September 17, 2019

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

Commissioner for Taking Affidavits (or as may be)

Summary of Additional Lawyer Information

<u>Lawyer</u>	<u>Year of Call</u>	<u>Hours Billed</u>	<u>Hourly Rate</u>	<u>Total Billed</u>
Jeffrey J. Simpson	1997	1.20	\$600.00	\$720.00
Ken Beallor	1991	0.50	\$600.00	\$300.00
Stephanie Eiley	2002	2.80	\$500.00	\$1,400.00
James Round	2003	0.30	\$510.00	\$153.00
Stewart Thom	2008	49.70	\$475.00	\$23,607.50
Stephen Skorbinski	2019	12.00	\$310.00	\$3,720.00
Angie Riches	Clerk	0.90	\$250.00	\$225.00
Shalan Jankowski	Clerk	0.80	\$290.00	\$232.00
TOTAL				<u>\$30,357.50</u>

FIRST SOURCE FINANCIAL MANAGEMENT INC.
Applicant

-and- 2507448 ONTARIO INC.
Respondent

Court File No. CV-19-00613044-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF JEFFREY J. SIMPSON

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

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Tel: 416-863-1188
Fax: 416-863-0305

Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (May 1, 2016)

FIRST SOURCE FINANCIAL MANAGEMENT INC.
Applicant

-and- 2507448 ONTARIO INC.
Respondent

Court File No. CV-19-00613044-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**MOTION RECORD
(Returnable September 25, 2019)**

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

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (May 1, 2016)