

**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**

**SUPPLEMENTAL REPORT TO THE FIFTH REPORT
(Motion Returnable March 10, 2020)**

March 9, 2020

**TORKIN MANES LLP
Barristers & Solicitors
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Toronto ON M5C 2W7**

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**Lawyers for the Receiver,
RSM Canada Limited**

TO: THE SERVICE LIST

SERVICE LIST
as of March 9, 2020

TO: **PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**
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Devi Kunjah - Estate Administrator
Tel: 416 736-4357 x 105
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E-mail: devi@dodick.ca

Trustee of Dalton Johnson

34487.0004/13751397_1

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Tab	Description
1	Supplemental Report to the Fifth Report of the Receiver dated March 9, 2020
A	Appendix "A" – Corrected Account Statement
B	Appendix "B" – Correspondence between Receiver's counsel and counsel for the Debtor / Mr. Terrelonge dated February 25, 2020 and March 5, 2020

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

2507448 ONTARIO INC.

Respondent

**SUPPLEMENTAL REPORT TO THE FIFTH REPORT OF THE RECEIVER OF
581 WELLINGTON STREET WEST, TORONTO, ONTARIO**

March 9, 2020

I. INTRODUCTION

1. 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**" or the "**Receiver**") 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**").

II. PURPOSE OF SUPPLEMENTAL REPORT

2. The Fifth Report of the Receiver dated February 26, 2020 (the "**Fifth Report**") was filed in connection with a motion by the Receiver to, *inter alia*:
 - (a) report to the Court on the completion of the sale of the Real Property;
 - (b) provide the Court with summary of the Receiver's cash receipts and disbursements for the period from May 3, 2019 to February 19, 2020;
 - (c) request that the Court approve the fees and expenses, and estimated fees and expenses to completion, of the Receiver and its counsel;
 - (d) request that the Court authorize the Receiver to distribute available funds in the manner set out in the Fifth Report; and
 - (e) obtain an Order discharging the Receiver upon the completion of certain remaining activities.

-
3. The purpose of this Supplemental Report is to provide the court with additional information regarding recent communications with interested parties and to correct an error contained in documentation appended to the Fifth Report. This Supplemental Report should be read in conjunction with the Fifth Report.
 4. Capitalized terms herein have the same meaning as in the Fifth Report.

III. COMMUNICATIONS WITH INTERESTED PARTIES AND CORRECTION

5. Following service of the Fifth Report, an issue was raised by the second mortgagee, Mr. Zaherali Visram, concerning the First Source Account Statement contained at **Appendix "Q"** to the Fifth Report setting out the balance of First Source's remaining claims under its First Mortgage, calculated to March 10, 2020 (the "**Account Statement**"). Specifically, the Account Statement appeared to indicate that First Source continued to claim certain amounts on account of Receiver's Certificate advances made by First Source which amounts, elsewhere in the Fifth Report, the Receiver had reported as having been repaid to First Source following the closing of the sale of the Real Property.
6. Upon examination of the Account Statement and discussions with First Source, it became apparent that the Account Statement contained an allocation error in that the funds paid to First Source on account of the Receiver's Certificate advance made by First Source had been erroneously applied to reduce the balance of outstanding interest owed in connection with the First Mortgage.

-
7. On March 2, 2020, First Source provided the Receiver with a corrected statement (the "**Corrected Account Statement**") of its remaining claims to March 10, 2020 which shows those funds paid on account of the Receiver's Certificate advance as being correctly applied. As the error was one of allocation only, the total balance claimed by First Source is unaffected by the correction. A copy of the Corrected Account Statement is attached as **Appendix "A"** to this Supplemental Report.
 8. Following discussions with Mr. Visram and provision of the Corrected Account Statement, the Receiver understands that the concerns raised by Mr. Visram have been addressed.
 9. Along similar lines, counsel for the Debtor and its principal, Mr. Del Terrelonge, have also requested certain clarifications and additional documentation from the Receiver in order to allow them to perform their own calculations as to the amounts outstanding in connection with the mortgages formerly registered on title to the Real Property.
 10. On February 25, 2020 and March 5, 2020, counsel for the Receiver sent correspondence and additional documentation to counsel for the Debtor / Mr. Terrelonge, including:
 - a) the Statement of Adjustments generated in connection with the closing of the sale of the Real Property;
 - b) the Amending Agreement to the Agreement of Purchase and Sale respecting the Real Property;
 - c) the Corrected Account Statement and an explanation as to the nature of the allocation error contained in the original; and

d) the Mortgage Amending Agreement dated March 16, 2018 registered on title to the Real Property as Instrument No. AT4835341 on April 5, 2018 in relation to Mr. Visram's second mortgage.

11. Copies of correspondence between Receiver's counsel and counsel for the Debtor / Mr. Terrelonge are collectively attached hereto as **Appendix "B"**.

12. The Receiver files this Supplemental Report as it appears that the Debtor / Mr. Terrelonge intend to oppose the relief requested by the Receiver for reasons which relate to the foregoing. The Receiver is of the view that this additional information and documentation may be of assistance to the Court in its consideration of same.

All of which is respectfully submitted to this Court as of this 9th day of March, 2020.

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

34487.0004/13743006

TAB A

ACCOUNT CLOSING STATEMENT

FIRST SOURCE
FINANCIAL MANAGEMENT INC.

ACCOUNT NO.	1258.18.01
STATEMENT CLOSING DATE	3/10/2020
STATEMENT SUMMARY	
Payoff Amount	\$716,592.09
Payoff Due Date	3/11/2020
Interest Rate	18.0000%
Daily Periodic Rate	0.050000%
Property: 581 Wellington Street W Toronto ON M5V 1G3	

BORROWER

(Wellington St. W., Toronto) 2507448 Ontario Inc.
581 Wellington Street W
Toronto ON M5V 1G3

ACCOUNT ACTIVITY

Date	Reference	Description	Charges	Credits	Balance
12/1/2018		Balance Forward	\$3,607,790.53		\$ 3,607,790.53
12/3/2018		Sched A 6a) December 2018 Late Charge	\$350.00		\$ 3,608,140.53
12/31/2018		December 2018 Interest	\$27,047.93		\$ 3,635,188.46
1/3/2019		Sched A 6a) January 2019 Late Charge	\$350.00		\$ 3,635,538.46
1/31/2019		January 2019 Interest	\$27,250.79		\$ 3,662,789.25
2/3/2019		Sched A 6a) February 2019 Late Charge	\$350.00		\$ 3,663,139.25
2/28/2019		February 2019 Interest	\$27,455.17		\$ 3,690,594.42
3/3/2019		Sched A 6a) March 2019 Late Charge	\$350.00		\$ 3,690,944.42
3/31/2019		March 2019 Interest	\$27,661.08		\$ 3,718,605.50
4/3/2019		Sched A 6a) April 2019 Late Charge	\$350.00		\$ 3,718,955.50
4/30/2019		April 2019 Interest	\$27,868.54		\$ 3,746,824.04
5/2/2019	INT BONUS	Adjustment (as per Sched A #16)	\$78,750.00		\$ 3,825,574.04
5/3/2019		Sched A 6a) May 2019 Late Charge	\$350.00		\$ 3,825,924.04
5/31/2019		May 2019 Interest	\$56,155.11		\$ 3,882,079.15
6/3/2019		Sched A 6a) June 2019 Late Charge	\$350.00		\$ 3,882,429.15
6/30/2019		June 2019 Interest	\$56,997.44		\$ 3,939,426.59
7/3/2019		Sched A 6a) July 2019 Late Charge	\$350.00		\$ 3,939,776.59
7/31/2019		July 2019 Interest	\$57,852.40		\$ 3,997,628.99
8/3/2019		Sched A 6a) August 2019 Late Charge	\$350.00		\$ 3,997,978.99
8/31/2019		August 2019 Interest	\$58,720.18		\$ 4,056,699.17
9/3/2019		Sched A 6a) September 2019 Late Charge	\$350.00		\$ 4,057,049.17
9/30/2019		September 2019 Interest	\$59,600.99		\$ 4,116,650.16
10/3/2019		Sched A 6a) October 2019 Late Charge	\$350.00		\$ 4,117,000.16
10/31/2019		October 2019 Interest	\$60,495.00		\$ 4,177,495.16
11/3/2019		Sched A 6a) November 2019 Late Charge	\$350.00		\$ 4,177,845.16
11/30/2019		November 2019 Interest	\$61,402.43		\$ 4,239,247.59
12/3/2019		Sched A 6a) December 2019 Late Charge	\$350.00		\$ 4,239,597.59
12/31/2019		December 2019 Interest	\$62,323.46		\$ 4,301,921.05
1/3/2020		Sched A 6a) January 2020 Late Charge	\$350.00		\$ 4,302,271.05
1/29/2020		January 2020 Interest	\$63,258.32		\$ 4,365,529.37
2/29/2020		Legal Fees - Schneider Ruggiero	\$6,182.50		\$ 4,371,711.87
1/30/2020		Legal Fees - Paliare Roland - Re:Default	\$61,433.60		\$ 4,433,145.47
1/30/2020		Sched A 19) Management Cost - Default \$15K/month (Nov'18 - Jan'20)	\$225,000.00		\$ 4,658,145.47
1/30/2020		ProInCon Inv#17563 - reimburse FS	\$169.50		\$ 4,658,314.97
1/30/2020		Sched A 6k) Notice of Default	\$350.00		\$ 4,658,664.97
1/30/2020		NSF Payment Charge (Jun 27/19)	\$350.00		\$ 4,659,014.97
1/30/2020		Sched A 6k) Request for 4th Discharge Statement	\$350.00		\$ 4,659,364.97
1/30/2020		Sched A 6d) Failure to provide insurance renewal after requested	\$350.00		\$ 4,659,714.97
1/30/2020		Sched A 6k) Request for 5th Discharge Statement	\$350.00		\$ 4,660,064.97
1/30/2020		Sched A 6j) Mortgage Statement June 18/18 (2x)	\$700.00		\$ 4,660,764.97
1/30/2020		Sched A 6k) Request for 1st & 2nd Discharge Statement	\$700.00		\$ 4,661,464.97
1/30/2020		Sched A 6k) Request for 3rd Discharge Statement	\$350.00		\$ 4,661,814.97
1/30/2020		Sched A 6d): Failure to provide insurance renewal (April & Oct.18.Jan.19)	\$1,050.00		\$ 4,662,864.97
1/30/2020		Sched A 19) Default Management \$350/hr (Reduced to 40hrs)	\$14,000.00		\$ 4,676,864.97
1/30/2020		Sched A 6n) Each 3 phone calls/emails due to issues of the loan	\$11,550.00		\$ 4,688,414.97
1/30/2020		Sched A 6c) Failure to provide proof of property taxes after requested	\$350.00		\$ 4,688,764.97
1/30/2020		Receiver Certificate Fee @ 2% of \$50,000 (Payable to FS)	\$1,000.00		\$ 4,689,764.97
1/30/2020		Receiver Certificate (Payable to FS)	\$50,000.00		\$ 4,739,764.97
1/30/2020		Interest Charge on Receiver Certificate of \$50,000 @ 9% (Jun 7/19 - Mar 10/20)	\$2,934.25		\$ 4,742,699.22
1/30/2020		Late Interest on Receiver Certificate	\$76.39		\$ 4,742,775.61
1/31/2020		Payment Received		(\$3,990,946.57)	\$ 751,829.04
2/4/2020		Payment Received		(\$35,236.95)	\$ 716,592.09
			\$4,742,775.61	(\$4,026,183.52)	

INTEREST CHARGE SUMMARY

Balance Date	Daily Balance	Days	Daily Periodic Rate	Interest Rate	Interest Charge
12/1/2018	\$3,606,390.53	30	0.025000%	9.000%	\$27,047.93
1/1/2019	\$3,633,438.46	30	0.025000%	9.000%	\$27,250.79
2/1/2019	\$3,660,689.25	30	0.025000%	9.000%	\$27,455.17
3/1/2019	\$3,688,144.42	30	0.025000%	9.000%	\$27,661.08
4/1/2019	\$3,715,805.50	30	0.025000%	9.000%	\$27,868.54
5/1/2019	\$3,743,674.04	30	0.050000%	18.000%	\$56,155.11
6/1/2019	\$3,799,829.15	30	0.050000%	18.000%	\$56,997.44
7/1/2019	\$3,856,826.59	30	0.050000%	18.000%	\$57,852.40
8/1/2019	\$3,914,678.99	30	0.050000%	18.000%	\$58,720.18
9/1/2019	\$3,973,399.17	30	0.050000%	18.000%	\$59,600.99
10/1/2019	\$4,033,000.16	30	0.050000%	18.000%	\$60,495.00
11/1/2019	\$4,093,495.16	30	0.050000%	18.000%	\$61,402.43
12/1/2019	\$4,154,897.59	30	0.050000%	18.000%	\$62,323.46
1/1/2020	\$4,217,221.05	30	0.050000%	18.000%	\$63,258.32
		<u>420</u>			<u>\$674,088.84</u>

Note: Daily balances exclude reserve balances, impound balances, late charges.

TAB B

Subject: Sale of 581 Wellington St. West Property - Interim Distribution to First Source Financial Management Inc.
Attachments: Statement of Adjustments V3.pdf

From: Stewart Thom
Sent: February 25, 2020 2:14 PM
To: Maja Milosevic <maja@corestone.ca>
Subject: RE: Sale of 581 Wellington St. West Property - Interim Distribution to First Source Financial Management Inc.

Maja,

I'm going through my emails and do not recall if I got back to you on this.

The Additional Interest was released on February 4, 2020 as per my earlier communication. I think your concern may be misplaced though. You may recall that the terms of extension granted to the Purchaser included that the Purchaser was required to pay to the Receiver additional amounts to account for, among other things, interest at 9% on the principal loan amount from the originally intended date of closing to the actual date of closing at the end of January. In other words, the Purchaser DID pay the interest, the Receiver was simply advising of its intention to release that additional interest to First Source instead of holding on to it, as no party has ever raised any objection to First Source's entitlement to payment of the principal loan amount plus interest on the principal at (at least) 9% to the date of closing.

In effect, what I believe you are suggesting should have happened, did happen.

Attached is the statement of adjustments. I think you'll see that the carrying costs of the extensions have been accounted for by the Purchaser.

If you have questions please feel free to call.

Stewart Thom
Tel: 416-777-5197
Fax: 1-877-689-3872

Torkin Manes LLP
Barristers & Solicitors

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From: Maja Milosevic <maja@corestone.ca>
Sent: February 5, 2020 9:57 AM
To: Stewart Thom <sthom@torkinmanes.com>
Cc: Jeff.Larry@paliareroland.com
Subject: Re: Sale of 581 Wellington St. West Property - Interim Distribution to First Source Financial Management Inc.

This email was sent by an external sender.

Stewart,

My client does object to the release of funds for the Additional Interest. This is something which should be paid by the purchaser separately, given the two requests for an extension they were granted. It shouldn't be something which is coming out of the original purchase price agreed to.

Can you clarify this? Do you have a closing statement / adjustment that breaks this down?

Thank you.

Maja Milosevic, B.B.M., J.D.

Counsel

Office: 416-591-2222
Cell: 647-699-0762
Fax: 1-855-677-2201
Email: maja@corestone.ca
Address: 117 Peter St., Suite 310
Toronto, ON M5V 0M3
Website: www.corestone.ca

The legal partner of choice for:

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From: Stewart Thom <sthom@torkinmanes.com>

Sent: February 3, 2020 10:21

To: Maja Milosevic <maja@corestone.ca>; Tristar (tristar@sympatico.ca) <tristar@sympatico.ca>

Cc: Daniel Weisz (Daniel.Weisz@rsmcanada.com) <Daniel.Weisz@rsmcanada.com>; Brenda Wong (Brenda.Wong@rsmcanada.com) <Brenda.Wong@rsmcanada.com>; Jeff.Larry@paliareroland.com <Jeff.Larry@paliareroland.com>

Subject: Sale of 581 Wellington St. West Property - Interim Distribution to First Source Financial Management Inc.

All,

Further to recent discussions, the sale of the Wellington Street property has now closed and the Receiver is in funds. In accordance with the terms of the December 13, 2019 Order of Justice McEwen (the "**Order**"), the amount of \$3,937,000 (the "**Interim Distribution Amount**") has been released to First Source Financial Management Inc. ("**First Source**") in partial repayment of amounts owing pursuant to its first charge on the property. The amount of the Interim Distribution to be released to First Source was at issue before the court on December 13, 2019 as certain parties, namely the former property owner and a group of investors under the third mortgage registered on title (the "**Investor Group**"), raised concerns with respect to some of the amounts claimed as owing to First Source pursuant to its mortgage discharge statement.

At the December 13, 2019 motion, it was agreed between all parties taking a position that any non-disputed amounts claimed under the First Source mortgage could be released on closing to First Source, with the balance of First Source's claims being adjourned to be addressed on a later date. The calculation of the non-disputed claims of First Source used for the purpose of the Order included all principal outstanding claimed by First Source together with interest thereon at 9% calculated to December 19, 2019, which at the time of the December 13, 2019 motion was the intended date of the closing of the sale of the Property. The closing of the sale of the property, however, did not occur on December 19, 2019, but was extended to January 30, 2020 at the request of the purchaser.

Given the above and the consent of the interested parties on December 13, 2019 to the release to First Source of any non-disputed claims under the First Source mortgage, the Receiver is of the view that interest on the non-disputed portion of the First Source claim at the non-disputed rate of 9% from December 19, 2019 to January 30, 2019 (the "**Additional Interest**") should at this time be released to First Source in addition to the Interim Distribution Amount specifically authorized by the December 13, 2019 Order. The Receiver is of the view that the release of the Additional Interest is consistent with what was consented to previously and simply accounts for the additional interest accrued as a result of the extended closing date, which at the time of the Order was not contemplated.

At the return of the December 13, 2019 motion, it was the Investor Group who had initially objected to the release of interest claimed by First Source, and ultimately consented to the release of interest on the principal amount of the mortgage calculated at the rate of 9%. The Receiver has consulted with the Investor Group's counsel, Mr. Forget, and has confirmed that there is no objection to the release of the Additional Interest to First Source as described above, which is calculated as being equal to \$35,236.95.

As such, the Receiver intends to proceed with the release of the Additional Interest to First Source. Please advise should you have any concerns about the Receiver doing so. Given the parties' positions at the return of the December 13, 2019 motion, the Receiver does not anticipate any objections to the release of the Additional Interest but, for the sake of clarity as to the basis for the release of these funds, the Receiver considers it appropriate to advise the interested parties of the intended course of action and provide an opportunity to articulate any concerns, should any exist.

If you have any such concerns or wish to discuss, please reply to me today as the Receiver intends to proceed to release the Additional Interest tomorrow, February 4, 2020.

Yours truly,

Stewart Thom

Tel: 416-777-5197

Fax: **Error! Hyperlink reference not valid.**

sthom@torkinmanes.com

[VCard](#)

Torkin Manes LLP

Barristers & Solicitors

Named Canada's Regional Law Firm of the Year by Chambers and Partners
Ranked the #1 Ontario Regional Law Firm by Canadian Lawyer

151 Yonge Street, Suite 1500

Toronto ON M5C 2W7

torkinmanes.com

An international member of Ally Law

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STATEMENT OF ADJUSTMENTS

Vendor: 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

Purchaser: 2726960 Ontario Inc.

Property: 581 Wellington Street West, Toronto, Ontario

Adjusted as of: November 29, 2019

Scheduled to close on: January 30, 2020

	Credit Purchaser	Credit Vendor
<u>SALE PRICE</u>		
Credit Vendor:		\$6,050,000.00
<u>DEPOSIT</u>		
Credit Purchaser:	\$580,000.00	
<u>ADDITIONAL DEPOSIT</u>		
Credit Purchaser:	25,000.00	
<u>REALTY TAXES</u>		
2019 Final Taxes:	\$43,767.03	
Vendor has paid:	43,767.03	
Vendor’s share for 332 days (to November 29, 2019):	39,810.01	
Credit Vendor:		3,957.02
<u>ORIGINAL EXTENSION FEE</u>		
Credit Vendor:		2,700.00
<u>COSTS TO AMEND COURT ORDER</u>		
Credit Vendor:		3,300.00
<u>CARRYING COSTS FROM DECEMBER 9, 2019 TO DECEMBER 19, 2019</u>		
Credit Vendor:		18,000.00
<u>CARRYING COSTS FROM DECEMBER 20, 2019 TO JANUARY</u>		50,000.00

29, 2020

Credit Vendor:

UTILITIES – GAS AND HYDRO

Metered – no adjustment

UTILITIES – WATER

Metered – no adjustment

BALANCE DUE ON CLOSING

Payable by wire transfer to Torkin Manes
LLP, In Trust or as further directed

\$5,522,957.02

\$6,127,957.02 \$6,127,957.02

THIS IS OUR STATEMENT HEREIN
TORKIN MANES LLP

AME/ar

E. & O. E.

34487.0004/13380514_3

From: Stewart Thom
Sent: March 5, 2020 12:09 PM
To: Maja Milosevic
Cc: Daniel Weisz (Daniel.Weisz@rsmcanada.com); Brenda Wong (Brenda.Wong@rsmcanada.com)
Subject: RE: 581 Wellington -- Amended APS
Attachments: Signed amendment.PDF; Instrument No. AT4835341 (1 of 2) - Notice.PDF; Instrument No. AT4835341 (2 of 2) - Instrument Statement.PDF; Closing Statement 1258.18.01 - Wellington St. W 2020.03.10.pdf

Maja,

See attached as requested.

In the event that you may have any similar questions with respect to understanding the amounts payable in connection with the second mortgage, I am also attaching the most recent mortgage amendment statement registered on title by Mr. Visram, which sets out the principal and interest payable. His claim is fairly straightforward.

Lastly, the Application Record contained an erroneous payout statement with respect to the First Source first mortgage, which has been corrected following the comments made by Mr. Visram. The total owing has not changed, but the statement originally included with the motion record misallocated the proceeds received by First Source on account of the receiver's certificate. Internally, the funds delivered in repayment of the receiver's certificate advance were allocated to a reduction of interest, and the statement showed the receiver's certificate advance as still owing. The corrected statement shows the receiver's certificate as being repaid, with a corresponding increase in outstanding interest. I hope that makes sense and if anything is unclear, I am happy to discuss.

Stewart Thom
Tel: 416-777-5197
Fax: 1-877-689-3872

Torkin Manes LLP
Barristers & Solicitors

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From: Maja Milosevic <maja@corestone.ca>
Sent: March 3, 2020 4:35 PM
To: Stewart Thom <sthom@torkinmanes.com>
Subject: 581 Wellington -- Amended APS

This email was sent by an external sender.

Stewart,

I don't see the amended APS in any of the receiver's materials, outlining the details of the extensions and increased purchase price. The details are important for calculation on the distribution motion, can you forward that to me ASAP please.

Thank you.

--

Maja Milosevic

Sent from mobile device. Please excuse any errors or omissions.

Properties

PIN 21241 - 0114 LT
Description PT LT 23 SEC L PL MILITARY RESERVE TORONTO PARTS 1, 14 & 15, 63R2301, S/T & T/W CA540961; CITY OF TORONTO
Address 581 WELLINGTON ST W
TORONTO

Consideration

Consideration \$1,375,750.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name 2507448 ONTARIO INC.
Address for Service 581 Wellington Street West, Toronto,
ON M5V 1J3
I, Del Torrelenge, President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Party To(s)

Capacity

Share

Name VISRAM, ZAHERALI
Address for Service 7 Laredo Court, North York, ON M2M 4H7

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

Statements

This notice is pursuant to Section 71 of the Land Titles Act.
This notice may be deleted by the Land Registrar when the registered instrument, AT4393968 registered on 2016/11/07 to which this notice relates is deleted
Schedule: See Schedules
This document relates to registration number(s)AT4393968, AT4153211

Signed By

Esmat Visram 215-805 Middlefield Road acting for Signed 2018 04 05
Scarborough Applicant(s)
M1V 4Z6

Tel 416-494-2484

Fax 416-494-3907

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

Submitted By

ALNAZ ISMAIL JIWA LAW OFFICE 215-805 Middlefield Road 2018 04 05
Scarborough
M1V 4Z6

Tel 416-494-2484

Fax 416-494-3907

Fees/Taxes/Payment

Statutory Registration Fee \$63.65
Total Paid \$63.65

File Number

Party To Client File Number: 16-0004

MORTGAGE AMENDMENT AGREEMENT

THIS AGREEMENT made as of the March 16, 2018

Between:

2507448 ONTARIO INC.
(the "Chargor")

and

ZAHERALI VISRAM
(The "Second Chargee")

WHEREAS the parties registered a charge in the Land Registry Office for the Land Titles Division of Toronto, on November 7, 2016, as Instrument No. AT4393968 (the "Second Charge"), on the property municipally known as 581 Wellington Street West, Toronto and legally described as that Part of Lot 23, Section L, Plan Military Reserve designated as parts 1, 14 & 15, R-Plan 63R23021, City of Toronto, as in Pin No. 21241-0114LT (the "Property"), to secure the repayment of the principal sum of \$2,240,750.00, together with interest thereon upon the terms contained in the Second Charge;

AND WHEREAS by a Notice registered on March 16, 2017, as Instrument No. AT4153211, the Chargor prepaid the sum of \$500,000.00 to the Chargee and reduced the amount owing on the Second Charge \$1,740,750.00 which was to be paid off in full on November 30, 2016;

AND WHEREAS the Chargor has requested to have the Second Charge extended for one year on the following terms.

NOW THEREFORE in consideration of the sum of \$2.00 and other good consideration, the parties agree to amend the Second Charge as follows:

1. The Chargor shall repay to the Chargee the sum of \$405,000.00, whereupon the principal amount on the Second Mortgage shall be reduced to \$1,335,750.00;
2. The Chargor shall pay the sum of \$195,000.00 to the Chargee for its fees earned for the granting extension on terms set out hereinafter;
3. The Chargor shall pay the sum of \$40,000.00 to the Chargee for granting extension of the Charge and this amount shall be added to the principal amount of \$1,335,750.00, thereby the new principal amount shall be \$1,375,750.00, and this extension shall be granted on terms set out hereinafter;
4. The term of the Second Charge in the amount of \$1,375,750.00 shall be for one year, and become due and owing on March 16, 2019;
5. The interest on the amount outstanding shall be calculated at 12% per annum, calculated and payable monthly;
6. The first payment of interest shall be March 20, 2018;
7. The monthly interest shall be \$13,757.50;
8. The Chargor may renew this Charge for one more term of a year at the same interest rates and with payment of a 3% fee on the amount then owing;

9. In consideration of the Chargee extending the term of the second Charge, plus other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor, Del Terrelonge:
- a. personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness for as per the terms contained in the Second Mortgage;
 - b. guarantees that Chargor will promptly pay the full amount of principal and interest of the Charge as and when the same will, in any manner, be or become due, either according to the terms and conditions provided by the terms of the Charge or amendments made thereto, by reason of a default by the Chargor; and
 - c. to the extent permitted by law, the Guarantor waives all defenses, counterclaims or offsets that are legally available to the Guarantor with respect to the payment of the debt of the Chargor;
10. On the sale of the first unit, the first mortgagee will receive the first \$1,000,000.00, the Second mortgagee (Visram mortgage) will receive the next \$1,125,750.00 and the balance will be paid to the 3rd mortgagee.
11. In the event the First Mortgage granted by the Chargor on the said lands shall be in default, the Second Mortgage shall be deemed to be in default;
12. all other terms and conditions as stipulated in the Charge registered as AT4215388, shall remain effective between the parties except that the terms of this agreement shall supercede any terms inconsistent with the terms of this agreement.

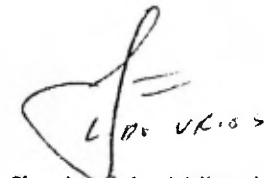
Signed, sealed and delivered
in the presence of:

) 2507448 ONTARIO INC.

)
)
)
)



Name: Del Terrelonge
Title: President
I have authority to bind the corporation
(Chargor)



Signed, sealed and delivered
in the presence of:

)
)
)

DEL TERRELONGE, as Guarantor

Zaherati Visarm (Second Mortgagee)

9. In consideration of the Chargee extending the term of the second Charge, plus other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor, Del Terrelonge:
- a. personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness for as per the terms contained in the Second Mortgage;
 - b. guarantees that Chargor will promptly pay the full amount of principal and interest of the Charge as and when the same will, in any manner, be or become due, either according to the terms and conditions provided by the terms of the Charge or amendments made thereto, by reason of a default by the Chargor; and
 - c. to the extent permitted by law, the Guarantor waives all defenses, counterclaims or offsets that are legally available to the Guarantor with respect to the payment of the debt of the Chargor;
10. On the sale of the first unit, the first mortgagee will receive the first \$1,000,000.00, the Second mortgagee (Visram mortgage) will receive the next \$1,125,750.00 and the balance will be paid to the 3rd mortgagee.
11. In the event the First Mortgage granted by the Chargor on the said lands shall be in default, the Second Mortgage shall be deemed to be in default;
12. all other terms and conditions as stipulated in the Charge registered as AT4215388, shall remain effective between the parties except that the terms of this agreement shall supercede any terms inconsistent with the terms of this agreement.


Signed, sealed and delivered
in the presence of:

) 2507448 ONTARIO INC.
)
)
)
) _____
 Name: Del Terrelonge
 Title: President
 I have authority to bind the corporation
 (Chargor)

DEL TERRELONGE, as Guarantor

Signed, sealed and delivered
in the presence of:



)
)
) 
) _____
 Zaherali Visarm (Second Mortgagee)

We, the first mortgagee registered on title of subject property, have reviewed the above Mortgage Amendment Agreement and hereby approve the contents of the Agreement in its entirety and hereby authorize it to be registered on title.

Signed, sealed and delivered in the presence of:

) FIRST SOURCE FINANCIAL MANAGEMENT INC.
)
)
)

Name:
Title:
I have authority to bind the corporation
(First Mortgagee)

We, the third mortgagees registered on title of subject property, have reviewed the above Mortgage Amendment Agreement and hereby approve the contents of the Agreement in its entirety and hereby authorize it to be registered on title.

Signed, sealed and delivered in the presence of:

) *Monica Goyal*
)
)
)
)

Monica Goyal
Third Chargee - holding 16.64% of share

Signed, sealed and delivered in the presence of:

) OLYMPIA TRUST COMPANY
)
)
)

Name:
Title:
I have authority to bind the corporation
Third Chargee - holding 69.51% share

Signed, sealed and delivered in the presence of:

) COMPUTERSHARE TRUST COMPANY
)
)
)
)

Name: **Nell Carnell**
Title: **Director Broker Products**
I have authority to bind the corporation
Third Chargee - holding 13.85 % share

We, the first mortgagee registered on title of subject property, have reviewed the above Mortgage Amendment Agreement and hereby approve the contents of the Agreement in its entirety and hereby authorize it to be registered on title.

Signed, sealed and delivered in the presence of:

) FIRST SOURCE FINANCIAL MANAGEMENT INC.
)
)
)

Name:

Title:

I have authority to bind the corporation
(First Mortgagee)

We, the third mortgagees registered on title of subject property, have reviewed the above Mortgage Amendment Agreement and hereby approve the contents of the Agreement in its entirety and hereby authorize it to be registered on title.


Signed, sealed and delivered in the presence of:

)
)
)
)
)


Monica Goyal
Third Chargee

Signed, sealed and delivered in the presence of:

) OLYMPIA TRUST COMPANY
)
)
)



Karina Villanueva

) 
Name: Vibha Bhagat

Title: Manager
I have authority to bind the corporation
Third Chargee

Cora Dumais
Team Lead

Signed, sealed and delivered in the presence of:

) COMPUTERSHARE TRUST COMPANY
)
)
)

Name:
Title:
I have authority to bind the corporation
Third Chargee

AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

THIS AMENDMENT TO THE AGREEMENT OF PURCHASE AND SALE is dated as at the 19th day of December, 2019.

AMONG:

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**")

-AND-

2726960 ONTARIO INC.
(the "**Purchaser**")

-AND-

2562051 ONTARIO INC.
(the "**Original Purchaser**")

WHEREAS by an Agreement of Purchase and Sale dated the 2nd day of October, 2019 between the Vendor and the Original Purchaser, as amended from time to time (the "**Agreement**"), the Original Purchaser agreed to purchase from the Vendor and the Vendor agreed to sell to the Original Purchaser, the right, title and interest of the Vendor and 2507448 Ontario Inc. ("2507448") in and to the property municipally known as 581 Wellington Street West, Toronto, Ontario and legally described on Schedule "A" to the Agreement (the "**Property**");

AND WHEREAS by an assignment and assumption of agreement of purchase and sale dated the 25th day of November, 2019 among the Original Purchaser, the Purchaser and the Vendor (the "**Assignment and Assumption Agreement**"), the Original Purchaser assigned its right, title and interest in and to the Agreement to the Purchaser and the Purchaser covenanted and agreed to and with the Original Purchaser and the Vendor that it will assume and be bound by the Agreement, pay and discharge all monies due and to become due, and perform all of the covenants and obligations on the part of the Original Purchaser under the Agreement, all as more particularly set out in the Assignment and Assumption Agreement;

AND WHEREAS pursuant to the Assignment and Assumption Agreement, the Original Purchaser acknowledged and confirmed to the Vendor that the Original Purchaser remains liable for and is not released from its covenants, liabilities or obligations under the Agreement;

AND WHEREAS the purchase price pursuant to the Agreement is the amount of Five Million Eight Hundred Thousand Canadian Dollars (\$5,800,000.00) (the "**Original Purchase Price**");

AND WHEREAS the Date of Closing pursuant to the Agreement was November 29, 2019 (the "**Original Closing Date**");

AND WHEREAS by way of electronic mail correspondence between the Original Purchaser's and the Purchaser's and the Vendor's respective solicitors, the parties hereto have previously agreed to extend the Original Closing Date and amend the Agreement from time to time on the terms and conditions more particularly described in various electronic mail correspondence between the Original Purchaser's and the Purchaser's and the Vendor's respective solicitors, copies of which are attached hereto as Schedule "A" (collectively, the "**Amending Agreements**");

AND WHEREAS the Original Purchaser, the Purchaser and the Vendor wish to further amend the Agreement on the terms and conditions set out herein;

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements set out herein and other good and valuable consideration (the receipt and sufficiency of which is hereby mutually acknowledged), the parties agree as follows:

1. The Original Purchaser, the Purchaser and the Vendor hereby acknowledge, confirm and agree that the foregoing recitals are true in substance and fact.

2. All capitalized terms set out herein and not otherwise defined shall have the same meanings as are ascribed to them in the Agreement.
3. The Date of Closing or Closing (as defined in the Agreement) is hereby extended to January 30, 2020.
4. The following shall be deleted on Page 4 of the Agreement:
 3. PURCHASE PRICE
"The aggregate purchase price (the "**Purchase Price**") for the Property shall be the sum of Five Million Eight Hundred Thousand Canadian Dollars (\$5,800,000.00)."
5. The following shall be inserted on Page 4 of the Agreement to replace the deletion in the preceding paragraph:
 3. PURCHASE PRICE
"The aggregate purchase price (the "**Purchase Price**") for the Property shall be the sum of Six Million Fifty Thousand Canadian Dollars (\$6,050,000.00)."
6. From and after the date of this Amendment to the Agreement, all references in the Agreement to the Purchase Price shall be deemed to refer to the Purchase Price as defined, amended and restated in this Amendment to the Agreement.
7. In addition to the Deposit (as defined in the Agreement), the Purchaser shall upon execution of this Amendment to the Agreement pay to the Receiver by way of wire transfer to the Receiver the sum of Twenty Five Thousand Canadian Dollars (\$25,000.00) (the "**Additional Deposit**").

The Original Purchaser and the Purchaser acknowledge and agree that, notwithstanding any other terms of the Agreement, including without limitation, the terms of Section 5, the Deposit and Additional Deposit shall be fully and irrevocably non-refundable to the Original Purchaser or the Purchaser.
8. In addition to the costs for which the Original Purchaser and the Purchaser are responsible pursuant to the Amending Agreements, the Original Purchaser and the Purchaser shall be responsible for additional costs in the amount of Fifty Thousand Canadian Dollars (\$50,000.00), which amount shall be credited to the Vendor on the statement of adjustments on Closing.
9. The Original Purchaser and the Purchaser hereby confirm, acknowledge and agree that notwithstanding any of the terms set out in the Agreement, adjustments for realty taxes are to remain as of the Original Closing Date.
10. This Amendment to the Agreement shall be read together with the Agreement and any amendments thereto, and the parties confirm that, except as modified herein, all of the terms and conditions in the Agreement and any amendments thereto, remain unchanged, unmodified and in full force and effect and time shall be and remain of the essence.
11. The parties agree, from time to time, to do or cause to be done all such things, and shall execute and deliver all such documents, agreements and instruments reasonably requested by another party, as may be necessary or desirable to complete the amendments contemplated by this Amendment to the Agreement and to carry out its provisions and intention.
12. This Amendment to the Agreement shall enure to the benefit of and be binding upon the parties and their legal representatives, heirs, executors, administrators, successors and permitted assigns, as the case may be.
13. This Amendment to the Agreement may be executed in one or more counterparts all of which shall be considered one and the same Amendment to the Agreement, and may be delivered by facsimile or electronic mail (PDF).

[Remainder of page left intentionally blank. Signature page follows.]

IN WITNESS WHEREOF the parties hereto have executed this Amendment to the Agreement as of the date first written above.

2726960 ONTARIO INC.

Per: 

Name: Ben Valiquette
Title: President

I have the authority to bind the Corporation

2562051 Ontario Inc.

Per: 

Name: Ben Valiquette
Title: President

I have the authority to bind the Corporation

RSM Canada Limited, solely in its capacity as Court-appointed 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

Per: _____

Name: Daniel Weisz
Title: Senior Vice President

I have the authority to bind the Receiver

SCHEDULE "A"

Amending Agreements



Aaron English

From: Stanley J. Wax <SWax@ccsb-law.com>
Sent: November 13, 2019 3:26 PM
To: Aaron English
Cc: Angie Riches; Sabrina Boese; Weisz, Daniel; Brenda Wong
(Brenda.Wong@rsmcanada.com); Stewart Thom; Ben Valiquette
Subject: RE: 581 Wellington Street West, Toronto

Noted and agree.



Stanley J. Wax

swax@ccsb-law.com | 416.731.5971 | 416.512.9671

Commercial Litigation, Real Estate, Business Law
Toronto, Ontario
CCSB Financial Group, Suite 200
100 King Street West, Toronto, ON M5X 1C5

Please check out our new website at: www.ccsb-law.com

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From: Aaron English [mailto:aenglish@torkinmanes.com]
Sent: Wednesday, November 13, 2019 11:43 AM
To: Stanley J. Wax
Cc: Angie Riches; Sabrina Boese; Weisz, Daniel; Brenda Wong (Brenda.Wong@rsmcanada.com); Stewart Thom
Subject: RE: 581 Wellington Street West, Toronto

Hi Stan,

Your understanding of the breakdown of the \$6,000 as noted below is accurate, though to be clear, property taxes are not included in the \$6,000, which is why adjustments are to remain as at November 29.

Thanks,
Aaron

Aaron English
Tel: 416-643-8811
Fax: 1-888-554-6181

Torkin Manes LLP
Barristers & Solicitors

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From: Stanley J. Wax [mailto:SWax@ccsb-law.com]
Sent: November 13, 2019 11:35 AM
To: Aaron English
Cc: Angie Riches; Sabrina Boese; Weisz, Daniel; Brenda Wong (Brenda.Wong@rsmcanada.com); Stewart Thom
Subject: RE: 581 Wellington Street West, Toronto

Hi Aaron,

I confirm on the understanding that the \$6000 amount includes the cost of obtaining an amendment to the court order as a result of the assignment of the agreement of purchase and sale. The carrying costs for the extension I understood to be \$2700.

Stan



Stanley J. Wax

swax@ccsb-law.com | 416.733.1271 | 416.542.6941

Cambridge Cooper at Firstberg Briloff LLP
Executive and Advisory
4100 Sheppard Ave. E., Suite 409
Toronto, Ontario M1S 1T6, Canada

Please check out our law website at www.ccsb-law.com

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From: Aaron English [mailto:aenglish@torkinmanes.com]
Sent: Wednesday, November 13, 2019 11:33 AM
To: Stanley J. Wax
Cc: Angie Riches; Sabrina Boese; Weisz, Daniel; Brenda Wong (Brenda.Wong@rsmcanada.com); Stewart Thom
Subject: RE: 581 Wellington Street West, Toronto

Hi Stan,

On behalf of the Receiver/Vendor, we confirm the terms of the below-noted extension with the following amendments:

1. Adjustments are to remain as at November 29, 2019, as previously noted; and
2. The carrying costs to which you refer below will be in the amount of \$6,000 and will be credited to the Receiver/Vendor on the statement of adjustments on closing.

Please confirm your client's agreement to the above-noted amended extension terms by reply e-mail on behalf of your client.

Thanks,

Aaron

Aaron English
Tel 416-643-6811
Fax 1-888-554-6161

Torkin Manes LLP
Barristers & Solicitors

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From: Stanley J. Wax [mailto:SWax@ccsb-law.com]
Sent: November 13, 2019 10:37 AM
To: Aaron English
Cc: Angie Riches; Sabrina Boese; Ben Valiquette
Subject: RE: 581 Wellington Street West, Toronto

Hi Aaron,

As indicated in the emails below, on behalf of our client, 2562051 Ontario Inc., we are hereby formally requesting an extension of the closing date for our client's purchase of the above-referenced property to December 9, 2019, with all other terms and provisions of the agreement of purchase and sale remaining the same, time remaining of the essence, and our client being responsible for the additional carrying costs.

If your client is in agreement, please confirm by return email. Upon such confirmation, the agreement of purchase and sale will be deemed amended as regards the closing date.

Thanks,
Stan



Stanley J. Wax

E: swax@ccsb-law.com T: 416-733-0271 F: 416-312-1841

Cummings Cooper Solicitors Barristers & P.
2562051 Ontario Inc.
581 Wellington Street West
Toronto, Ontario, Canada M5G 2B5

Please check out our new website at: www.ccsb-law.com

2562051 Ontario Inc. is a private company with a 2019/2020 fiscal year ending on December 31, 2019. The company is a subsidiary of Cummings Cooper Solicitors Barristers & P.

Cummings Cooper Solicitors Barristers & P. is a law firm with a long history of providing legal services to clients in the Greater Toronto Area. The firm is a member of the Ontario Bar Association and the Canadian Bar Association. The firm is also a member of the Ontario Law Society and the Canadian Law Society. The firm is a member of the Ontario Law Society and the Canadian Law Society. The firm is a member of the Ontario Law Society and the Canadian Law Society.

From: Aaron English [mailto:aenglish@torkinmanes.com]
Sent: Tuesday, November 12, 2019 8:08 PM
To: Stanley J. Wax

Cc: Angie Riches; Sabrina Boese
Subject: RE: 581 Wellington Street West, Toronto

Hi Stan,

The \$6,000 will be credited to the vendor on the statement of adjustments.

We can document the extension by e-mail between us. Please send a formal extension e-mail on behalf of and copying your client to which I can reply, which can be done as a continuation of this e-mail chain.

Regards,
Aaron

Aaron English
Tel: 416-643-8611
Fax: 1-888-554-6181

Torkin Manes LLP
Barristers & Solicitors

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From: Stanley J. Wax [mailto:SWax@ccsb-law.com]
Sent: November 12, 2019 3:49 PM
To: Aaron English
Cc: Angie Riches; Sabrina Boese; Ben Valiquette
Subject: 581 Wellington Street West, Toronto

Hi Aaron,

I have been instructed to advise you that our client would like an extension of the closing date to December 9, 2019 and that it wishes to assign the agreement of purchase and sale. Our client understands and accepts that the cost for the extension and assignment is \$6000 as per your email. Will that amount be credited to the vendor on the statement of adjustments?

I will provide you with name of the assignee and a copy of the assignment shortly. As for the extension of the closing date, do you want an amending agreement executed, or can it be done by an exchange of emails?

Stan



Stanley J. Wax

1 wax@ccsb-law.com | 416-721-8271 | 1-888-554-6181

Cummings Cooper Schubert Berliner LLP
100 King Street West, Suite 400
Toronto, Ontario, Canada M5X 1C5

Please check out our new website at www.ccsb-law.com

A handwritten signature in black ink, appearing to be "RW" or similar initials, located in the bottom right corner of the page.

Handwritten text at the top of the page, possibly a header or title, which is mostly illegible due to blurriness.

Handwritten initials or signature, possibly "R.O.", located in the bottom right corner.

Aaron English

From: Stanley J. Wax <SWax@ccsb-law.com>
Sent: December 9, 2019 4:05 PM
To: Aaron English
Cc: Weisz, Daniel; Stewart Thom; Angie Riches
Subject: RE: 581 Wellington Street West, Toronto - Extension of Closing

This email was sent by an external sender.

Aaron,

On behalf of the Purchaser I confirm the terms of the extension of closing to December 19, 2019 as set out in your email below.

Thanks,
Stan



Stanley J. Wax

stan@ccsb-law.com | 416-593-2243 | 416-512-1101

CUMMING COOPER SCHUSTER BERLINSKI LLP
100 King Street West, Suite 1000
Toronto, Ontario M5X 1C4
T: 416-593-2243 | F: 416-512-1101

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From: Aaron English [mailto:aenglish@torkinmanes.com]
Sent: Monday, December 09, 2019 3:52 PM
To: Stanley J. Wax
Cc: Weisz, Daniel; Stewart Thom; Angie Riches
Subject: 581 Wellington Street West, Toronto - Extension of Closing
Importance: High

Stan,

As you know, we act for RSM Canada Limited, solely in its capacity as Court-appointed 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") in connection with the sale of the above-noted property to 2562051 Ontario Inc., as assigned or to be assigned to 2726960 Ontario Inc. (collectively, the "Purchaser").

Further to our discussions of earlier today and at the request of the Purchaser, on behalf of the Vendor we hereby confirm the Vendor's agreement to a further extension of the Date of Closing from December 9, 2019 to December 19, 2019 on the following terms:

1. In addition to the \$6,000 for which the Purchaser is responsible in accordance with the terms of the original extension of the Date of Closing from November 29, 2019 to December 9, 2019, the Purchaser shall be responsible for carrying costs in the amount of \$18,000, all of which will be credited to the Vendor on the statement of adjustments on Closing;
2. Adjustments for realty taxes are to remain as of November 29, 2019;
3. Except as noted herein, all other terms and conditions of the agreement of purchase and sale dated October 2, 2019, as amended and assigned (the "APS"), shall remain the same and time shall remain of the essence.

All capitalized terms not defined herein shall have the meanings ascribed to them in the APS.

Please confirm the Purchaser's agreement to the above-noted extension terms by reply e-mail on behalf of the Purchaser as soon as possible today.

As we had also discussed a possible extension of the Date of Closing to January 8, 2020, please note that any further extension to such date would require, at a minimum, that the Purchaser agree to an increased purchase price of \$6,050,000, an increase in the deposit by \$25,000, that the deposit become fully non-refundable and that the Purchaser be responsible for all carrying costs, which would be estimated to be an additional \$56,000 beyond those for which the Purchaser is already responsible. That said, the Vendor fully expects the Purchaser to be ready, willing and able to close on the 19th.

Regards,
Aaron

Aaron English
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ACCOUNT CLOSING STATEMENT

FIRST SOURCE
FINANCIAL MANAGEMENT INC.

ACCOUNT NO. 1258.18.01
STATEMENT CLOSING DATE 3/10/2020
STATEMENT SUMMARY
Payoff Amount \$716,592.09
Payoff Due Date 3/11/2020
Interest Rate 18.0000%
Daily Periodic Rate 0.050000%
Property: 581 Wellington Street W Toronto ON M5V 1G3

BORROWER

(Wellington St. W., Toronto) 2507448 Ontario Inc.
581 Wellington Street W
Toronto ON M5V 1G3

ACCOUNT ACTIVITY

Date	Reference	Description	Charges	Credits	Balance
12/1/2018		Balance Forward	\$3,607,790.53		\$ 3,607,790.53
12/3/2018		Sched A 6a) December 2018 Late Charge	\$350.00		\$ 3,608,140.53
12/31/2018		December 2018 Interest	\$27,047.93		\$ 3,635,188.46
1/3/2019		Sched A 6a) January 2019 Late Charge	\$350.00		\$ 3,635,538.46
1/31/2019		January 2019 Interest	\$27,250.79		\$ 3,662,789.25
2/3/2019		Sched A 6a) February 2019 Late Charge	\$350.00		\$ 3,663,139.25
2/28/2019		February 2019 Interest	\$27,455.17		\$ 3,690,594.42
3/3/2019		Sched A 6a) March 2019 Late Charge	\$350.00		\$ 3,690,944.42
3/31/2019		March 2019 Interest	\$27,661.08		\$ 3,718,605.50
4/3/2019		Sched A 6a) April 2019 Late Charge	\$350.00		\$ 3,718,955.50
4/30/2019		April 2019 Interest	\$27,868.54		\$ 3,746,824.04
5/2/2019	INT BONUS	Adjustment (as per Sched A #16)	\$78,750.00		\$ 3,825,574.04
5/3/2019		Sched A 6a) May 2019 Late Charge	\$350.00		\$ 3,825,924.04
5/31/2019		May 2019 Interest	\$56,155.11		\$ 3,882,079.15
6/3/2019		Sched A 6a) June 2019 Late Charge	\$350.00		\$ 3,882,429.15
6/30/2019		June 2019 Interest	\$56,997.44		\$ 3,939,426.59
7/3/2019		Sched A 6a) July 2019 Late Charge	\$350.00		\$ 3,939,776.59
7/31/2019		July 2019 Interest	\$57,852.40		\$ 3,997,628.99
8/3/2019		Sched A 6a) August 2019 Late Charge	\$350.00		\$ 3,997,978.99
8/31/2019		August 2019 Interest	\$58,720.18		\$ 4,056,699.17
9/3/2019		Sched A 6a) September 2019 Late Charge	\$350.00		\$ 4,057,049.17
9/30/2019		September 2019 Interest	\$59,600.99		\$ 4,116,650.16
10/3/2019		Sched A 6a) October 2019 Late Charge	\$350.00		\$ 4,117,000.16
10/31/2019		October 2019 Interest	\$60,495.00		\$ 4,177,495.16
11/3/2019		Sched A 6a) November 2019 Late Charge	\$350.00		\$ 4,177,845.16
11/30/2019		November 2019 Interest	\$61,402.43		\$ 4,239,247.59
12/3/2019		Sched A 6a) December 2019 Late Charge	\$350.00		\$ 4,239,597.59
12/31/2019		December 2019 Interest	\$62,323.46		\$ 4,301,921.05
1/3/2020		Sched A 6a) January 2020 Late Charge	\$350.00		\$ 4,302,271.05
1/29/2020		January 2020 Interest	\$63,258.32		\$ 4,365,529.37
2/29/2020		Legal Fees - Schneider Ruggiero	\$6,182.50		\$ 4,371,711.87
1/30/2020		Legal Fees - Paliare Roland - Re:Default	\$61,433.60		\$ 4,433,145.47
1/30/2020		Sched A 19) Management Cost - Default \$15K/month (Nov'18 - Jan'20)	\$225,000.00		\$ 4,658,145.47
1/30/2020		ProInCon Inv#17563 - reimburse FS	\$169.50		\$ 4,658,314.97
1/30/2020		Sched A 6k) Notice of Default	\$350.00		\$ 4,658,664.97
1/30/2020		NSF Payment Charge (Jun 27/19)	\$350.00		\$ 4,659,014.97
1/30/2020		Sched A 6k) Request for 4th Discharge Statement	\$350.00		\$ 4,659,364.97
1/30/2020		Sched A 6d) Failure to provide insurance renewal after requested	\$350.00		\$ 4,659,714.97
1/30/2020		Sched A 6k) Request for 5th Discharge Statement	\$350.00		\$ 4,660,064.97
1/30/2020		Sched A 6j) Mortgage Statement June 18/18 (2x)	\$700.00		\$ 4,660,764.97
1/30/2020		Sched A 6k) Request for 1st & 2nd Discharge Statement	\$700.00		\$ 4,661,464.97
1/30/2020		Sched A 6k) Request for 3rd Discharge Statement	\$350.00		\$ 4,661,814.97
1/30/2020		Sched A 6d): Failure to provide insurance renewal (April & Oct. 18. Jan. 19)	\$1,050.00		\$ 4,662,864.97
1/30/2020		Sched A 19) Default Management \$350/hr (Reduced to 40hrs)	\$14,000.00		\$ 4,676,864.97
1/30/2020		Sched A 6n) Each 3 phone calls/emails due to issues of the loan	\$11,550.00		\$ 4,688,414.97
1/30/2020		Sched A 6c) Failure to provide proof of property taxes after requested	\$350.00		\$ 4,688,764.97
1/30/2020		Receiver Certificate Fee @ 2% of \$50,000 (Payable to FS)	\$1,000.00		\$ 4,689,764.97
1/30/2020		Receiver Certificate (Payable to FS)	\$50,000.00		\$ 4,739,764.97
1/30/2020		Interest Charge on Receiver Certificate of \$50,000 @ 9% (Jun 7/19 - Mar 10/20)	\$2,934.25		\$ 4,742,699.22
1/30/2020		Late Interest on Receiver Certificate	\$76.39		\$ 4,742,775.61
1/31/2020		Payment Received		(\$3,990,946.57)	\$ 751,829.04
2/4/2020		Payment Received		(\$35,236.95)	\$ 716,592.09
			\$4,742,775.61	(\$4,026,183.52)	

INTEREST CHARGE SUMMARY

Balance Date	Daily Balance	Days	Daily Periodic Rate	Interest Rate	Interest Charge
12/1/2018	\$3,606,390.53	30	0.025000%	9.000%	\$27,047.93
1/1/2019	\$3,633,438.46	30	0.025000%	9.000%	\$27,250.79
2/1/2019	\$3,660,689.25	30	0.025000%	9.000%	\$27,455.17
3/1/2019	\$3,688,144.42	30	0.025000%	9.000%	\$27,661.08
4/1/2019	\$3,715,805.50	30	0.025000%	9.000%	\$27,868.54
5/1/2019	\$3,743,674.04	30	0.050000%	18.000%	\$56,155.11
6/1/2019	\$3,799,829.15	30	0.050000%	18.000%	\$56,997.44
7/1/2019	\$3,856,826.59	30	0.050000%	18.000%	\$57,852.40
8/1/2019	\$3,914,678.99	30	0.050000%	18.000%	\$58,720.18
9/1/2019	\$3,973,399.17	30	0.050000%	18.000%	\$59,600.99
10/1/2019	\$4,033,000.16	30	0.050000%	18.000%	\$60,495.00
11/1/2019	\$4,093,495.16	30	0.050000%	18.000%	\$61,402.43
12/1/2019	\$4,154,897.59	30	0.050000%	18.000%	\$62,323.46
1/1/2020	\$4,217,221.05	30	0.050000%	18.000%	\$63,258.32
		<u>420</u>			<u>\$674,088.84</u>

Note: Daily balances exclude reserve balances, impound balances, late charges.

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

SUPPLEMENTAL REPORT TO THE FIFTH REPORT
(Motion Returnable March 10, 2020)

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Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (May 1, 2016)