

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

B E T W E E N:

**THE EQUITABLE TRUST COMPANY and
TREZ CAPITAL CORPORATION**

Applicants

and

1598490 ONTARIO LIMITED

Respondent

**MOTION RECORD – VOLUME 1 OF 2
Motion Returnable September 30, 2014**

September 24, 2014

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Court File No. CV-13-10082-00CL

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

B E T W E E N:

**THE EQUITABLE TRUST COMPANY and
TREZ CAPITAL CORPORATION**

Applicants

and

1598490 ONTARIO LIMITED

Respondent

NOTICE OF MOTION

Ira Smith Trustee & Receiver Inc., in its capacity as court appointed receiver (the “Receiver”) of the assets, undertakings and properties of the respondent 1598490 Ontario Ltd. (the “Debtor”) will make a Motion to a Judge presiding over the Commercial List on Tuesday, September 30, 2014 at 10:00 a.m., or as soon after that time as the Motion can be heard at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING: The Motion is to be heard:

☐ in writing under subrule 37.12.1(1) because it is;

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

☒ orally.

THE MOTION IS FOR an order substantially in the form of the draft attached hereto as Schedule A:

- (a) If necessary, abridgement of the time for service of the Notice of Motion and Motion Record herein and dispensing with further service thereof;
- (b) Approval of the Receiver's activities described in the Fifth Report of the Receiver dated September 23, 2014 (the "Fifth Report");
- (c) Approval of the settlement entered into between Yoseph Shtizberg and 16 other alleged purchasers of units in the Deloraine Condominium, Linum Corp. Rozaro Development Ltd., Elsbury Enterprises Limited and Sheldon Weinles as set out in the Fifth Report;
- (d) Approval of the settlement of the Receiver with respect to the contempt motion brought as against Chaim Bialostozky, the sole director of the Debtor, as set out in the Fifth Report;
- (e) Sealing of volume 2 of the Fifth Report and of the order requested therein;
- (f) Approval of the Receiver's activities and fees and disbursements and those of its counsel as set forth in the Fifth Report;
- (g) The costs of this Motion payable from the estate of the Debtor; and
- (h) Such further and other relief as to this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

- (a) The Debtor's primary asset is the Property which consists of a residential condominium building which is substantially complete and which has been registered as a condominium.
- (b) Pursuant to the Order of the Honourable Madam Justice Mesbur dated May 24, 2013 (the "Appointment Order"), the Receiver was authorized and directed to market the Purchased Assets as therein defined, including the Property, in the manner approved by the court, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- (c) By Order of the Honourable Justice Newbould dated August 16, 2013 (the "Sales Process Order"), the court approved the Sales Process proposed by the Receiver and set forth in the Receiver's First Report dated August 2, 2013 and authorized the Receiver to offer the Property for sale in accordance with that Sales Process.
- (d) By Order of the Honourable Mr. Justice Morawetz dated December 6, 2013, the actions and activities of the Receiver, as contained in the Receiver's Second Report to Court dated November 28, 2013 (the "Second Report"), and the Second Report were approved by this Honourable Court (the "Second Approval Order").
- (e) The Second Approval Order approved the sale of the Property, and the said sale was completed by the Receiver on December 12, 2013.

- (f) Distribution of the proceeds of sale of the Property was made by the Receiver as detailed in the Third Report.
- (g) As outlined in the Third Report to Court of the Receiver dated March 14, 2014 (“Third Report”), the Receiver was seeking approval of this Honourable Court to an agreement with respect to funding of ongoing litigation involving the Debtor herein, such agreement (the “Litigation Funding Agreement”) which was approved by this Honourable Court (the “Fourth Approval Order”).
- (h) The Receiver has now entered into Minutes of Settlement with claimants to an ongoing fund which was held in trust by the Receiver pursuant to the Order of Justice Brown dated January 20, 2014 and seeks approval of this Honourable Court to the terms of the Minutes of Settlement (“Minutes”).
- (i) The Minutes set out that the amount of \$1,000,000.00 plus a pro rated amount of interest is to be paid to the Receiver from the funds being held in trust with the remaining approximately \$1.7 million plus applicable interest to be divided among Linum Corp. and Elsbury Enterprises Limited.
- (j) The Minutes further state that Sheldon Weinles, upon whom the Receiver had an outstanding damages claim within the context of the ongoing litigation, is to pay to the Receiver the amount of \$100,000.00 in satisfaction of that claim.
- (k) Further, the Receiver has entered into Minutes of Settlement with Chaim Bialostozky (the “Bialostozky Minutes”), the sole officer, director and

representative of the Debtor, with respect to an outstanding contempt motion brought by the Receiver as against him.

- (l) The Bialostozky Minutes set out that the parties shall consent to an order dismissing the motion for contempt without costs subject to the approval of this Honourable Court.
- (m) Further, pursuant to the terms of the Litigation Funding Agreement, the Receiver seeks to pay out funds received pursuant to the settlement as well as funds previously being held to the credit of this estate in accordance with the terms therein.
- (n) The funds being held in trust by the Receiver now being sought to be paid out pursuant to the Minutes and the Litigation Funding Agreement are the last major assets of the Debtor.
- (o) The Receiver's activities, statement of receipts and disbursements and its fees and disbursements, including the fees and disbursements of its legal counsel, Steinberg Morton Hope & Israel LLP, set forth in the Fifth Report are reasonable and ought to be approved.
- (p) 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 Fifth Report of the Receiver;
- (b) The Affidavits of Michael Cass and Brandon Smith, each sworn September 23, 2014; and
- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

September 24, 2014

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SCHEDULE A

Court File No. CV-13-10082-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.

)

TUESDAY, THE 30TH

)

JUSTICE

)

DAY OF SEPTEMBER, 2014

B E T W E E N:

(Court Seal)

THE EQUITABLE TRUST COMPANY and
TREZ CAPITAL CORPORATION

Applicants

and

1598490 ONTARIO LIMITED

Respondent

ORDER

THIS MOTION, made by Ira Smith Trustee & Receiver Inc., in its capacity as court appointed Receiver (the “Receiver”) of the assets, undertakings and properties of the respondent, 1598490 Ontario Limited (the “Debtor”), for an order approving the Receiver’s statement of receipts and disbursements attached as Exhibit “H” to the Fifth Report, approving the Receiver’s activities, fees and disbursements as set out in the Fifth Report, and approving the entering into of Minutes of Settlement with respect to an ongoing litigation and an ongoing contempt motion as

outlined in Fifth Report, was heard this day at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario.

ON READING the Fifth Report and the exhibits attached thereto, the Affidavit of Brandon Smith sworn September 23, 2014 (the “Smith Fee Affidavit”) and the Affidavit of Michael Cass sworn September 23, 2014 (the “Cass Fee Affidavit”) and on hearing the submissions of the lawyer for the Receiver, for the Foreign Purchasers, Linum Corp., Elsbury Enterprises Limited, Sheldon Weinles and Chaim Bialostozky, no other person appearing for any other party although properly served as appears from the affidavit of service filed herein,

Service

1. **THIS COURT ORDERS** that the time for service of the Receiver’s notice of motion and the motion record dated September 24, 2014 is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

Approval of Activities

2. **THIS COURT ORDERS** that the (i) Fifth Report of the Receiver (including volume 2 of thereof), (ii) the activities that the Receiver described herein, (iii) the statement of receipts and disbursements contained therein and (iv) the fees and disbursements of the Receiver described therein and in the Smith Fee Affidavit and the Cass Fee Affidavit be and are hereby approved.

3. **THIS COURT ORDERS** that the Foreign Purchasers’ Litigation Minutes of Settlement as set out in Exhibit “G” to Volume 1 of the Fifth Report is hereby approved and the Receiver is hereby authorized and directed to enter into the said Minutes of Settlement and to act in

accordance with its provisions including execution of any releases, consents or other documentation necessary to effect its terms.

4. **THIS COURT ORDERS** that the Bialostozky Minutes of Settlement as set out in Exhibit “F” to Volume 1 of the Fifth Report is hereby approved and the Receiver is hereby authorized and directed to enter into the said Minutes of Settlement and to act in accordance with its provisions including execution of any releases, consents or other documentation necessary to effect its terms.

5. **THIS COURT ORDERS** that the Receiver shall make payment in accordance with the Purchasers’ Litigation Agreement as set out in Exhibit “A” to Volume 2 of the Fifth Report and upon making payment in accordance with the terms, the Receiver is discharged from all duties and obligations pursuant to the terms of the Purchasers’ Litigation Agreement.

Sealing

6. **THIS COURT ORDERS** that Volume 2 of the Fifth Report, including the Purchasers’ Litigation Agreement being Exhibit “A” thereto, be and are hereby sealed until the Receiver is discharged or upon further order of the court.

(Signature of Judge)

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER

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RCP-E 4C (July 1, 2007)

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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RCP-E 4C (July 1, 2007)

Court File No. CV-13-10082-00CL

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**IN THE MATTER OF AN APPLICATION UNDER PURSUANT TO SECTION 101 OF
THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED (THE "CJA")
AND SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, C.B-3., AS AMENDED**

BETWEEN

**THE EQUITABLE TRUST COMPANY and
TREZ CAPITAL CORPORATION**

Applicants

-and-

1598490 ONTARIO LIMITED

Respondent

**FIFTH REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
1598490 ONTARIO LIMITED
VOLUME 1**

DATED SEPTEMBER 23, 2014

**SECOND REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
1598490 ONTARIO LIMITED
VOLUME 1**

DATED SEPTEMBER 23, 2014

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**SECOND REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
1598490 ONTARIO LIMITED
VOLUME 1**

DATED SEPTEMBER 23, 2014

Exhibits

Exhibit "A"	Appointment Order dated May 24, 2013
Exhibit "B"	First Approval Order dated August 16, 2013
Exhibit "C"	Second Approval Order dated December 6, 2013
Exhibit "D"	Third Approval Order dated March 18, 2014
Exhibit "E"	Fourth Approval Order dated April 22, 2014
Exhibit "F"	Bialostozky unsigned Minutes of Settlement
Exhibit "G"	Foreign Purchasers' Litigation Minutes of Settlement
Exhibit "H"	Receiver's Statement of Receipts and Disbursements
Exhibit "I"	Receiver's Fee Affidavit of Brandon Smith sworn September 23, 2014
Exhibit "J"	SMHI's Fee Affidavit of Michael Cass sworn September 23, 2014

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**FIFTH REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
1598490 ONTARIO LIMITED
VOLUME 1**

DATED SEPTEMBER 23, 2014

1.0 INTRODUCTION

1. Pursuant to the application to the Court by The Equitable Trust Company and Trez Capital Corporation (“**Trez**”) (jointly described as the “**Applicants**”), Ira Smith Trustee & Receiver Inc. (“**ISI**”) was appointed receiver (the “**Receiver**”) without security, of all of the assets, properties and undertakings of 1598490 Ontario Limited (the “**Company**” or the “**Debtor**”) by Order of the Honourable Madam Justice Mesbur dated May 24, 2013 (the “**Appointment Order**”) pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, C.43, as amended (the “**CJA**”) and section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3., as amended (the “**BIA**” or the “**Act**”). A copy of the Appointment Order is attached as **Exhibit “A”**.

2. By Order of the Honourable Mr. Justice Newbould dated August 16, 2013, the actions

and activities of the Receiver, as contained in the Receiver's First Report to Court dated August 2, 2013 (the "**First Report**"), and the First Report, were approved by this Honourable Court (the "**First Approval Order**"). A copy of the First Approval Order is attached as **Exhibit "B"**.

3. By Order of the Honourable Mr. Justice Morawetz dated December 6, 2013, the actions and activities of the Receiver, as contained in the Receiver's Second Report to Court dated November 28, 2013 (the "**Second Report**"), and the Second Report, were approved by this Honourable Court (the "**Second Approval Order**"). A copy of the Second Approval Order is attached as **Exhibit "C"**.

4. By Order of the Honourable Mr. Justice McEwen dated March 18, 2014, the actions and activities of the Receiver, as contained in the Receiver's Third Report to Court dated March 14, 2014 (the "**Third Report**"), and the Third Report, were approved by this Honourable Court (the "**Third Approval Order**"). A copy of the Third Approval Order is attached as **Exhibit "D"**.

5. By Order of the Honourable Mr. Justice McEwen dated April 22, 2014, the actions and activities of the Receiver, as contained in the Receiver's Fourth Report to Court dated April 16, 2014 (the "**Fourth Report**"), and the Third Report, were approved by this Honourable Court (the "**Fourth Approval Order**"). A copy of the Fourth Approval Order is attached as **Exhibit "E"**.

2.0 PURPOSE OF THE FIFTH REPORT

6. The purpose of this Fifth Report is to report to this Honourable Court on:

- i. The actions and activities of the Receiver since the Fourth Report, which primarily was the continuation of the contempt proceedings brought by the Receiver against the sole Officer and Director of the Debtor, Mr. C. Bialostozky and of a settlement of the litigation (subject to the approval of this Honourable Court) commenced by the purported foreign purchasers of individual residential condominium units prior to the Receiver's appointment;
- ii. the accounting for the receipts and disbursements of the Receiver from April 1 to August 31, 2014;
- iii. the fees and disbursements of the Receiver and its legal counsel for the period since the Fourth Report as described and contained herein; and
- iv. the Receiver's recommendation for the distribution of surplus funds on hand.

3.0 DISCLAIMER

7. In preparing this Fifth Report, the Receiver, where stated, has relied upon unaudited and draft, internal financial information obtained from the Debtor's books and records and discussions with former management, contractors and other third parties as stated herein (collectively, the "**Information**"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information and expresses no opinion, or other form of assurance, in respect of the Information.

8. This report is prepared solely for the use of the Court and the stakeholders in this proceeding, for the purpose of assisting the Court in making a determination whether to approve the actions and activities of the Receiver, and other relief being sought. It is based on the Receiver's analysis of information provided to it by the management, directors, staff, and contractors of the Debtor, and other third parties as stated herein, which included unaudited financial statements and internal financial reporting. The Receiver's procedures did not constitute an audit or financial review engagement of the Debtor's financial reporting. Where stated, the Receiver has relied upon the financial statements and financial and other records of the Debtor in reaching the conclusions set out in this report.

4.0 BACKGROUND AND OVERVIEW

9. In its capacity as Receiver, ISI has reported to this Honourable Court on the nature of the Debtor's business operation and the major asset, a six storey residential condominium building (not including the mechanical and utility spaces) under construction, located at 3443 Bathurst Street, Toronto, ON in which there are 23 units of varying sizes from approximately 915 to 2,050 square feet, none of which were occupied upon the Appointment Date (the "**Project**"). The Receiver refers the readers of this Fifth Report to the First Report for a complete overview of the business and its sole asset.

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10. In the Third Report, the Receiver confirmed that the sale of the Project was completed (the approval for such sale contained in the Second Approval Order), that the lien claims other than for the Ronen lien claim were settled and that the remaining matters to be administered in the receivership were: (i) the lien claim brought by the general contractor of the Project, Ronen Management Services Inc. and Eli Ronen (the “**Ronen Lien Claim**”); (ii) the Receiver’s contempt motion against Mr. C. Bialostozky, the sole Director of the Company; and (iii) dealing with Mr. D. Brooker and Mr. M. Cass of SHMI in connection with the application by the purported foreign purchasers of condominium units for the return of the amount of \$2.7 million allegedly representing the majority of their deposit funds for the aborted purchases and the related claim by the Receiver for the additional amount of \$300,000 (the “**Foreign Purchasers’ Application**”). By Endorsement of the Honourable Mr. Justice Brown dated January 20, 2014, these funds were transferred from the lawyer holding the funds in his trust account to the Receiver, to be held in an interest-bearing account pending the resolution of the foreign purchaser’s litigation.

11. In the Fourth Report, the Receiver advised of the settlement of the Ronen Lien Claim. The settlement of the Ronen Lien Claim was approved in the Fourth Approval Order and the settlement was then concluded.

12. This Fifth Report is for the purpose of advising this Honourable Court about: (i) the status of the Receiver’s contempt proceedings against Mr. C. Bialostozky; (ii) the ongoing activities of the Receiver in and the status of the Foreign Purchasers’ Application proposed settlement; (iii) as

to the receipts and disbursements in the receivership administration as at August 31, 2014; (iv) the fees and costs of both the Receiver and SMHI since the respective dates of approval of such costs in the Fourth Report for which approval of this Honourable Court is being sought; and (v) the Receiver's recommendation for the distribution of surplus funds on hand in accordance with the Receiver's calculation further described below.

5.0 CONTEMPT PROCEEDINGS AGAINST MR. BIALOSTOZKY

13. In the First, Second and Third Reports, the Receiver advised of the difficulties in obtaining proper books, records and other information of the Debtor from the sole officer and director, Mr. Bialostozky, especially information the Receiver required to properly respond to the Foreign Purchasers' Application. The Receiver previously reported that the Receiver's motion was scheduled to be heard on March 20, 2014 before Mr. Justice McEwen.

14. On March 20, 2014, the matter was heard. At that hearing, Mr. I. Smith, on behalf of the Receiver, provided evidence in chief and was cross-examined by Mr. Bialostozky's legal counsel, Mr. M. Katzman. Also at that hearing, Mr. Bialostozky provided evidence in chief and his cross-examination began but was not completed. Although Mr. Bialostozky was fluent in English, he preferred to provide evidence and be examined in the Hebrew language. Accordingly, an interpreter retained by Mr. Katzman was used in the proceedings for Mr. Bialostozky.

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15. The matter was adjourned to August 26, 2014 where Mr. Bialostozky's cross-examination continued before Mr. Justice McEwen. For this hearing, Mr. Katzman retained the same translation firm to provide an interpreter, who provided a different interpreter than for the March hearing. At the morning break, the interpreter advised both Mr. Katzman and the Receiver's legal counsel, Mr. D. Brooker of SMHI, that he did not feel comfortable interpreting, and actually had never before interpreted in a Court proceeding. Also, Mr. Bialostozky advised that he did not believe the interpreter was accurately interpreting his statements.

16. After the morning break, Mr. Katzman advised Mr. Justice McEwen as to what had transpired, and upon questioning by Mr. Justice McEwen, the interpreter did not advise that he felt that he could adequately perform the interpretation duties. Accordingly, Mr. Justice McEwen suggested that counsel attempt to find a replacement interpreter for the afternoon and the Court recessed until 2:15PM that same day. A replacement interpreter could not be found on such short notice, so all parties agreed that the evidence of that day could not be relied upon and that the Receiver's motion was rescheduled to January 19, 2015.

17. For reasons outlined below in Section 6.0 of this Fifth Report, Messrs. Katzman and Brooker have agreed that this motion will be dismissed without costs and Minutes of Settlement entered into whereby each party will be responsible for their own costs. A copy of the unsigned Minutes of Settlement subject to the approval of this Honourable Court is attached as **Exhibit "F"**.

6.0 FOREIGN PURCHASERS' APPLICATION

18. In the Third Report, the Receiver provided the background and status at that date regarding the Foreign Purchasers' Application. The Receiver's claim is not only for the funds previously held by Mr. G. Krikunez, the lawyer acting on behalf of the foreign purchasers and the putative first mortgagee on each of the condominium units being purportedly purchased, The Bank of Montreal, but also which were previously held by the purchasers' former legal counsel, Mr. S. Weinles, but also for the amount of \$300,371 paid out by Mr. Weinles to the Company after being put on notice of the private receivership and that no funds can be paid without the Receiver's prior permission. The Receiver also previously advised that LawPro retained counsel for Mr. Weinles who is in communication with Mr. Brooker.

19. There was no new information for the Receiver to report on the Foreign Purchasers' Application as of the date of the Fourth Report. Examinations were concluded in accordance with the previous schedule approved by this Honourable Court.

20. At the conclusion of the examinations, it was obvious to the Receiver that although the Receiver's investigations had uncovered most of the required information, there were communications between Mr. Bialostozky and others, subsequent to January, 2013, not contained in the Company's property obtained by the Receiver, which the Receiver believed would assist the Receiver in this matter. The Receiver also was aware that there was at least two other foreign third

parties who had yet to participate in the Foreign Purchasers' Application and who most likely would make claim to a portion of the funds now in the Receiver's possession for this matter. The parties that the Receiver was aware of were: (i) Rozaro Development Limited ("**Rozaro**"); and (ii) Elsbury Enterprises Limited ("**Elsbury**").

21. During Spring and early Summer 2014, undertakings were being fulfilled and refusals confirmed. During the summer, discussions were held between counsel as to the appropriateness of going to mediation, rather than having either a trial of an issue or a full hearing. The Receiver's view was that mediation was an appropriate alternative only if all potential stakeholders took part, including Rozaro, Elsbury or any other party who may claim all or a portion of the funds in the Receiver's possession who had not yet participated in this matter. Mr. Brooker advised all legal counsel of the Receiver's view.

22. Subsequent to Mr. Brooker's communication, Israeli and Canadian legal counsel for Rozaro and Elsbury indicated they were acting on behalf of these corporations who were making a claim to the portion of the funds in the Receiver's possession previously unclaimed in the Foreign Purchasers' Application. Accordingly, Mr. Brooker advised them of the status of the proceedings and the prospect of a mediation session in Toronto.

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23. On September 2, 2014, a full day mediation settlement hearing took place at the offices of Neeson Arbitration Services before Mr. Justice W. Winkler. At the conclusion of the full day mediation session, the parties agreed, subject to the approval of this Honourable Court, that:

- a) the sum of \$1,000,000 from the amount of \$2,700,000 presently held in trust by the Receiver shall be retained by it on account of the receivership;
- b) the sum of \$1,700,000 from the amount of \$2,700,000 presently held in trust by the Receiver shall be paid to Linum Corp. (“**Linum**”) and Elsbury in a manner as they shall jointly direct;
- c) any interest on the amount of \$2,700,000 presently held in trust by the Receiver shall be paid in proportionate shares to the parties in 1 and 2 above (i.e., 62.963% of such interest shall be paid to Linum and Elsbury in a manner as they shall jointly direct, and 37.037% of such interest shall be retained by the Receiver);
- d) by or on behalf of Sheldon Weinles, the sum of \$100,000.00 shall be paid to the Receiver on account of the receivership; and
- e) full and final mutual releases of all parties shall be exchanged.

24. Accordingly, the Receiver is entitled to the amount of \$1.1 million, plus accrued interest. The Receiver continues to hold the amount of \$2.7 million in trust in an interest-bearing receipt. Attached as **Exhibit “G”** is the Foreign Purchasers’ Litigation Minutes of Settlement which includes the settlement indicated above. The Receiver respectfully recommends to this Honourable Court that the Minutes of Settlement and the settlement contained therein be approved

as it provides: (i) significant additional funds for the receivership; (ii) eliminates the need for any future costs; and (iii) will allow for the distribution of net receivership funds on hand to the secured creditors and then the discharge of the Receiver once this settlement is completed and the Receiver's contempt motion Mutual Release referred to above is finalized between the parties.

7.0 RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

25. Attached as **Exhibit "H"** is the Receiver's Statement of Receipts and Disbursements for the period April 1 to August 31, 2014 indicating funds on hand of \$2,969,505.22. As indicated in the Notes to the Statement of Receipts and Disbursements, the amount of \$ 2,699,615 is being held on account of the foreign purchaser litigation and Ronen lien claim described above.

8.0 PROFESSIONAL FEES AND DISBURSEMENTS

26. Attached hereto as **Exhibit "I"** is the Affidavit of Mr. Brandon Smith, Senior Vice-President of ISI, attesting to the fee and disbursements of the Receiver for the period from April 11 to September 19, 2014, in the amount of \$36,769.36 (inclusive of HST). To date, the amount of \$NIL has been advanced on account of these fees and disbursements.

27. Attached as **Exhibit "J"** is the Affidavit of Mr. Michael Cass in connection with SMHI's fee and disbursements including the detailed statement of account for the period from April 17 to September 17, 2014 in the amount of \$114,109.47 (inclusive of HST). To date, the amount of \$50,633.12 has been advanced by Vector on account of these fees and disbursements.

9.0 PROPOSED DISTRIBUTION OF SURPLUS FUNDS ON HAND

28. The Third Approval Order approved the Agreement between the Applicants, being the first secured creditor, the second secured creditor, Vector Financial Services Limited (“**Vector**”), and the Receiver, for the ongoing funding of the receivership administration (the “**Purchasers’ Litigation Agreement**”). The Third Approval Order also sealed the entire Volume 2 of the Third Report, including the Purchasers’ Litigation Agreement included in such Volume 2 of the Third Report as Exhibit “A”, until the discharge of the Receiver or further Order of this Honourable Court.

29. The Receiver estimates that upon the approval by this Honourable Court and the completion by the parties of the Foreign Purchasers’ Litigation Minutes of Settlement described above, that the amount of \$1,374,545.59 will be on hand (net of the distribution of funds, including accrued interest, to all the parties to the Foreign Purchasers’ Litigation Minutes of Settlement as described therein) calculated as follows:

Funds on hand August 31, 2014	\$2,969,505.22
Add: Accrued interest on GIC	13,609.02
Funds to be paid to the Receiver by or on behalf of Sheldon Weinles	<u>100,000.00</u>
	3,083,114.24
Less: Funds payable to Linum/Elsburry	<u>1,708,568.65</u>
Net distributable funds on hand	<u>\$1,374,545.59</u>

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Upon the approval by this Honourable Court of the other matters contained in this Fifth Report, including the fees and disbursements of the Receiver and SMHI, the Receiver recommends that funds on hand totalling \$1,374,545.59 be distributed as follows:

SMHI on account of taxed and unpaid fee and disbursements	\$ 63,476.35
ISI on account of taxed an unpaid fee and disbursements	36,769.36
Receiver's reserve	50,000.00
Vector's costs under the Purchasers' Litigation Agreement (per diem interest of \$21.25)	91,240.54
The Applicants' principal (per diem interest of \$129.04 also payable)	556,817.95
The Applicants' additional share under the Purchasers' Litigation Agreement	100,842.24
Vector's additional share under the Purchasers' Litigation Agreement	<u>475,399.15</u>
Total	<u>\$1,374,545.59¹</u>

30. The calculation of the amount payable to the Applicants and Vector is in accordance with the terms of the Purchasers' Litigation Agreement. Volume 2 of this Fifth Report contains as an Exhibit the Purchasers' Litigation Agreement and also describes the Receiver's calculation.

¹ Subject to adjustment as between the Applicants and Vector due to per diem interest

31. In the Third Report, the Receiver advised of the opinion of SMHI dated November 27, 2013, indicating, inter alia, that the security of the Applicants is valid and ranks as a first charge, subject to any statutory trust claims and priority lien claims, as against all of the assets, properties and undertaking of the Company². The Receiver has received the oral opinion of SMHI, to be confirmed in writing, that the security of Vector is valid and ranks as a second charge, subject to any statutory trust claims and priority lien claims, as against all of the assets, properties and undertaking of the Company.

32. The Receiver recommends to this Honourable Court that Volume 2 of this Fifth Report also be sealed until the discharge of the Receiver or further Order of the Court.

10.0 CONCLUSION AND RECOMMENDATIONS

33. For the reasons set out in this Fifth Report, the Receiver respectfully requests that this Honourable Court approve:

- i. the actions and activities of the Receiver and its legal counsel, SMHI, since the date of the Fourth Report, as described in this Fifth Report;
- ii. the Receiver entering into the Foreign Purchasers' Application Minutes of Settlement as described herein;

² See paragraph 28, page 15 of the Third Report.

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- iii. the Receiver acting in accordance with the Foreign Purchasers' Application Minutes of Settlement as described herein;
- iv. the fees and disbursements of the Receiver and its legal counsel for the period since the Fourth Report as described and contained herein;
- v. the distribution of the amount of \$657,660.19 to the Applicants and the amount of \$566,639.69 to Vector³; and
- vi. the sealing of Volume 2 of this Fifth Report until the discharge of the Receiver or further Order of this Court.

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All of which is respectfully submitted at Toronto, Ontario this 23rd day of September, 2014.

IRA SMITH TRUSTEE & RECEIVER INC.

solely in its capacity as Court-Appointed Receiver
of 1598490 Ontario Limited
and not in its personal capacity

Per:

President

³ Subject to adjustment as between the Applicants and Vector due to per diem interest



Court File No. CV-13-10082-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM

)

FRIDAY, THE 24th

JUSTICE MESBUR

)

DAY OF MAY, 2013

)

THE EQUITABLE TRUST COMPANY and
TREZ CAPITAL CORPORATION

Applicants

and

1598490 ONTARIO LIMITED

Respondent

ORDER

THIS APPLICATION made by the Applicants for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") and section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3., as amended (the "**BIA**") appointing Ira Smith Trustee & Receiver Inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of 1598490 Ontario Limited (the "**Debtor**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Bruce Roy sworn May 9, 2013 and the Exhibits thereto and on hearing the submissions of counsel for Applicants and ~~counsel for the Debtor~~, no one appearing ~~for anyone else~~ and on reading the consent of Ira Smith Trustee & Receiver Inc. to act as the Receiver,

although properly served

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 101 of the CJA and section 243 of the BIA, Ira Smith Trustee & Receiver Inc. is hereby appointed Receiver, without security, of all of lands and premises legally described in Schedule "A" hereto (the "**Lands**") and for the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

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

- (l) 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 \$100,000.00 provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; 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

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

- (q) 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;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use

of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

9. **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 or delivery for demand pursuant to section 39 of the Construction Lien Act, R.S.O., 1990, c.C.30, as amended (the "CLA").

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

13. **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

14. **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

15. **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

16. **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

17. **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, 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.

18. **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.

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

FUNDING OF THE RECEIVERSHIP

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000.00 (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.

21. **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.

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

23. **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.

24. **THIS COURT ORDERS** that notwithstanding paragraphs 20-23 inclusive, and as alternate thereto, the Receiver is hereby authorized to borrow money to fund the exercise of its powers and duties hereunder by way of advances from the Applicant, which advances shall be secured by the Applicant's security on the Property (including without limitation the First Mortgage as defined and attached as an exhibit to the Roy Affidavit), with the same priority that may attach to such security.

25. **THIS COURT ORDERS** that all funds advanced by the Applicants to the Receiver to fund the exercise of its powers and duties as a private receiver prior to the date of this Order shall be secured by the Applicant's security on the Property (including without limitation the First Mortgage as defined and attached as an exhibit to the Roy Affidavit), with the same priority that may attach to such security.

GENERAL

26. **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.

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

28. **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.

29. **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.

30. **THIS COURT ORDERS** that the Applicant and the Receiver and any party who has served a Notice of Appearance, may serve any materials in this proceeding by e-mailing a pdf or other electronic copy of such materials to counsels' e-mail addresses as recorded on the Service List from time to time, in accordance with the e-filing protocol of the Commercial List to the extent practicable.

31. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, as provided for in the Applicant's security.

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

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

MAY 24 2013

NS



SCHEDULE "A"

LEGAL DESCRIPTION OF THE LANDS

PIN 76285 - 0001 LT

UNIT 1, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0002 LT

UNIT 2, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0003 LT

UNIT 3, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0004 LT

UNIT 4, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0005 LT

UNIT 5, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0006 LT

UNIT 6, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0007 LT

UNIT 7, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0008 LT

UNIT 8, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0009 LT

UNIT 9, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0010 LT

UNIT 10, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0011 LT

UNIT 11, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0012 LT

UNIT 12, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0013 LT

UNIT 13, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0014 LT

UNIT 14, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0015 LT

UNIT 15, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0016 LT

UNIT 16, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0017 LT

UNIT 17, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0018 LT

UNIT 18, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0019 LT

UNIT 19, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0020 LT

UNIT 20, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0021 LT

UNIT 21, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0022 LT

UNIT 22, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0023 LT

UNIT 23, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0024 LT

UNIT 24, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0025 LT

UNIT 25, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0026 LT

UNIT 26, LEVEL, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0027 LT

UNIT 1, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0028 LT

UNIT 2, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0029 LT

UNIT 3, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0030 LT

UNIT 4, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0031 LT

UNIT 5, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0032 LT

UNIT 1, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0033 LT

UNIT 2, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0034 LT

UNIT 3, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0035 LT

UNIT 4, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0036 LT

UNIT 5, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0037 LT

UNIT 1, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0038 LT

UNIT 2, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0039 LT

UNIT 3, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0040 IT

UNIT 4, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0041 IT

UNIT 5, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0042 LT

UNIT 1, LEVEL 5, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0043 LT

UNIT 2, LEVEL 5, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0044 LT

UNIT 3, LEVEL 5, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0045 LT

UNIT 4, LEVEL 5, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0046 LT

UNIT 1, LEVEL 6, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0047 LT

UNIT 1, LEVEL 7, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Ira Smith Trustee & Receiver Inc. the receiver (the "**Receiver**") of the assets, undertakings and properties 1598490 Ontario Limited. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the _____ of _____, 2013 (the "**Order**") made in an action having Court file number _____-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ 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 _____, 2013

Ira Smith Receiver & Trustee Inc. solely in its
capacity as Receiver of the Property, and not in
its personal capacity

Per: _____

Name: _____

Title: _____

SCHEDULE "B"

LEGAL DESCRIPTION OF THE LANDS

PIN 76285 - 0001 LT

UNIT 1, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0002 LT

UNIT 2. LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0003 LT

UNIT 3. LEVEL 1. TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0004 LT

UNIT 4, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0005 LT

UNIT 5. LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0006 LT

UNIT 6, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0007 LT

UNIT 7. LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0008 LT

UNIT 8, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0009 LT

UNIT 9, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0010 LT

UNIT 10, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0011 LT

UNIT 11, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0012 LT

UNIT 12, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0013 LT

UNIT 13, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0014 LT

UNIT 14, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0015 LT

UNIT 15, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0016 LT

UNIT 16, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0017 LT

UNIT 17, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0018 LT

UNIT 18, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0019 LT

UNIT 19, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0020 LT

UNIT 20, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0021 LT

UNIT 21, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0022 LT

UNIT 22, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0023 LT

UNIT 23, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0024 LT

UNIT 24, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0025 LT

UNIT 25, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0026 LT

UNIT 26, LEVEL, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0027 LT

UNIT 1, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0028 LT

UNIT 2, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0029 LT

UNIT 3, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0030 LT

UNIT 4, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0031 LT

UNIT 5, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0032 LT

UNIT 1, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0033 LT

UNIT 2, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0034 LT

UNIT 3, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0035 LT

UNIT 4, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0036 LT

UNIT 5, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0037 LT

UNIT 1, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0038 LT

UNIT 2, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0039 LT

UNIT 3, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0040 IT

UNIT 4, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0041 IT

UNIT 5, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0042 LT

UNIT 1, LEVEL 5, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0043 LT

UNIT 2, LEVEL 5, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0044 LT

UNIT 3, LEVEL 5, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0045 LT

UNIT 4, LEVEL 5, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0046 LT

UNIT 1, LEVEL 6, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

P.I.N. 76285 - 0047 LT

UNIT 1, LEVEL 7, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON M6A 2C3

THE EQUITABLE TRUST
COMPANY et al.

-and- 1598490 ONTARIO LIMITED

Applicants

Respondent

Court File No. CV-13-10082-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

ROBINS, APPLEBY & TAUB LLP

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Facsimile: 416-868-0306

Lawyers for the Applicants

Court File No. CV-13-10082-00CL

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

THE HONOURABLE

JUSTICE

NEUBOU C))
)
)FRIDAY, THE 16TH

DAY OF AUGUST, 2013

BETWEEN:



**THE EQUITABLE TRUST COMPANY and
TREZ CAPITAL CORPORATION**

Applicants

and

1598490 ONTARIO LIMITED

Respondent

ORDER

THIS MOTION, made by Ira Smith Trustee & Receiver Inc., in its capacity as court appointed Receiver (the "Receiver") of the assets, undertakings and properties of the respondent, 1598490 Ontario Limited the respondent, 1598490 Ontario Limited (the "Debtor"), including the property municipally known as 3443 Bathurst Street, Toronto (the "Purchased Assets") for the relief set out below was heard this day at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

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ON READING the Motion Record dated August 2, 2013 filed on behalf of the Receiver including the First Report of the Receiver dated August 2, 2013 (the "First Report") and on hearing the submissions of counsel for the Receiver, no other person appearing although served with notice of this motion in accordance with the affidavits of service filed herein,

1. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this order shall have the meaning as described thereto in the First Report.
2. **THIS COURT ORDERS** that the First Report and the activities and conduct of the Receiver as described therein are hereby ratified and approved.
3. **THIS COURT ORDERS** that the Receiver's sales process and bidding procedures for the Purchased Assets as described in the First Report, together with any amendments thereto, deemed necessary and appropriate by the Receiver (hereinafter the "Stalking Horse Process") be and is hereby approved and the Receiver is hereby authorized and directed to carry out the Stalking Horse Process.
4. **THIS COURT ORDERS** that the form of offer and terms and condition of sale contained in the First Report (the "Form of Offer") and the Terms and Conditions of Sale, respectively be and the same are hereby approved, together with any amendments thereto deemed necessary and appropriate by the Receiver.
5. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to:
 - (a) proceed to market and offer for sale the Receiver's right, title and interest in the Purchased Assets in the manner more particularly described in the First Report in

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accordance with and on the terms of the Stalking Horse Process and the Form of Offer and Terms and Conditions of Sale contained in the First Report;

- (b) enter into discussions with any and all offers in respect of the Purchased Assets;
- (c) if considered by the Receiver to be necessary and appropriate, to disclose to and review with any secured creditor of the Debtor, any of their advisors and legal counsel, any and all offers received by the Receiver to purchase the Purchased Assets;
- (d) accept an offer to purchase the Purchased Assets the terms of which, in the Receiver's sole opinion, are in the best interest of the estate herein, subject to approval of this court, if required, in accordance with the Appointment Order; and
- (e) enter into Agreements of Purchase and Sale in respect of the Purchased Assets on the terms as set out in the Stalking Horse APA or otherwise as defined in the Bid Procedures, together with any amendments or additions thereto deemed necessary by the Receiver in its sole opinion, subject to the approval of this court as required in accordance with the Appointment Order.

6. **THIS COURT ORDERS** that in accordance with the Terms and Conditions of Sale, the Receiver is not obligated to accept any offer(s) to purchase the Purchased Assets.

7. **THIS COURT ORDERS** that the Receiver shall have no personal or corporate liability in connection with offering the Receiver's right, title and interest in the Purchased Assets for sale, including, without limitation:

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- (a) by advertising the Purchased Assets and/or the Stalking Horse Process;
- (b) by exposing the Purchased Assets to any and all parties including but not limited to those who have made their interest known to the Receiver;
- (c) by carrying out the Stalking Horse Process;
- (d) by responding to any and all requests or inquiries in regards to due diligence conducted in respect of the Purchased Assets;
- (e) through the disclosure of any and all information presented by the Receiver and its solicitors or agents arising from, incidental to or in connection with the Stalking Horse Process;
- (f) pursuant to any and all offers received by the Receiver in accordance with the Stalking Horse Process; and
- (g) pursuant to any Agreement of Purchase and Sale entered into by the Receiver in respect of the sale of any of the Purchased Assets.

Approval of Activities

8. **THIS COURT ORDERS** that i) the First Report of the Receiver, ii) the activities of the Receiver described therein; iii) the Statement of Receipts and Disbursements contained therein; and iv) the fees and disbursements of the Receiver described therein and in the Smith Fee Affidavit and the Cass Fee Affidavit be and are hereby approved.

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9. **THIS COURT ORDERS** that the costs of the Receiver in preparation of this motion and of these proceedings up to and including the hearing of this motion and the entry of this order (including applicable Harmonized Sales Tax) be paid to the Receiver from the estate herein.

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

AUG 16 2013


(Signature of Judge)

THE EQUITABLE TRUST COMPANY ET AL
Applicants

-and-

1598490 ONTARIO LIMITED ET AL
Respondent
Court File No. CV-13-10082-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER

STEINBERG MORTON HOPE & ISRAEL LLP
Barristers & Solicitors
5255 Yonge Street, Suite 1100
Toronto, Ontario
M2N 6P4

David A. Brooker (35787W)
Tel: 416-225-2777
Fax: 416-225-7112

Lawyers for Ira Smith Trustee & Receiver Inc.,
the court appointed receiver of the respondent 1598490
Ontario Limited

RCP-E 4C (July 1, 2007)

Court File No. CV-13-10082-00CL

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

THE HONOURABLE *MR*

)

FRIDAY, THE 6THJUSTICE *MORAWIETZ*

)

DAY OF DECEMBER, 2013

BETWEEN:



**THE EQUITABLE TRUST COMPANY and
TREZ CAPITAL CORPORATION**

Applicants

and

1598490 ONTARIO LIMITED

Respondent

APPROVAL, VESTING AND DISTRIBUTION ORDER

THIS MOTION, made by Ira Smith Trustee & Receiver Inc., in its capacity as court appointed Receiver (the “Receiver”) of the assets, undertakings and properties of the respondent, 1598490 Ontario Limited (the “Debtor”), for an order (i) approving the sales transaction (the “Transaction”) contemplated by an accepted offer to purchase (the “Centurion APA”) between the Receiver and Centurion Acquisition Corporation (“Centurion” or the “Purchaser”) dated as of October 17, 2013 attached as Exhibit “C” to the Second Report of the Receiver – Volume 1 dated November 28, 2013 (the “Second Report”); (ii) vesting in the Purchaser, or its nominee, the Debtor’s right, title and interest in and to the Property as such term is defined in the Centurion

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APA (the “Property”); (iii) authorizing the Receiver and its counsel, Steinberg Morton Hope & Israel LLP, to make payments to various lien claimants in exchange for a discharge or vacation of claims for lien as against the Property or to hold funds in trust representing priority lien claims in exchange for discharges of claims for lien registered against the Property as set out in the Second Report; (iv) approving the Receiver’s statement of receipts and disbursements attached as Exhibit “O” to the Second Report; and (v) approving the Receiver’s activities, fees and disbursements as set out in the Second Report,

was heard this day at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario.

ON READING the Second Report and the exhibits attached thereto, the Affidavit of Ira Smith sworn November 28, 2013 (the “Smith Fee Affidavit”) and the Affidavit of Michael Cass sworn November 28, 2013 (the “Cass Fee Affidavit”) and on hearing the submissions of the lawyer for the Receiver, the applicant and the Purchaser, no other person appearing for any other party although properly served as appears from the affidavit of service filed herein,

Service

1. **THIS COURT ORDERS** that the time for service of the Receiver’s notice of motion and the motion record dated November 28, 2013 is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

Approval and Vesting

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved and the execution of the Centurion APA by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized

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and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Property to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon delivery of a Receiver's Certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Receiver's Certificate"), all the Debtor's right, title and interest in and to the Property described in the Centurion APA and listed in Schedule "B" hereto shall vest absolutely in the Purchaser or in whomever it may direct or nominate, 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, and all agreements of purchase and sale, reservation contracts and leases (collectively the "Claims") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order herein of the Honourable Justice Mesbur dated May 24, 2013;
- (b) all charges, security interest, agreements, leases or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Land Titles Act* (Ontario), or any other personal or real property registry system;
- (c) those claims listed on Schedule "C" hereto (all of which are collectively referred to as the "Encumbrances") which term shall not include the assumed encumbrances listed on Schedule "D" hereto; and

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- (d) any other claims registered or arising prior to the registration of this order, (the “Additional Encumbrances”) and for greater certainty, this court orders that all of the encumbrances and additional encumbrances relating to the Property are hereby expunged and discharged as against the Property.

4. **THIS COURT ORDERS** that upon registration in the Toronto Land Registry Office (No. 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, or whomever it may nominate, 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.

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 application 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 such application; and
- (c) any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Property in the Purchaser pursuant to this order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by

-5-



creditors of the Debtor, nor shall it constitute or be deemed to be a ~~settlement~~, fraudulent preference, assignment, fraudulent conveyance, transfer of under value 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 ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

Approval of Activities

8. **THIS COURT ORDERS** that the (i) Second Report of the Receiver (including volume 2 of thereof), (ii) the activities that the Receiver described herein, (iii) the statement of receipts and disbursements contained therein and (iv) the fees and disbursements of the Receiver described therein and in the Smith Fee Affidavit and the Cass Fee Affidavit be and are hereby approved.

Sealing

9. **THIS COURT ORDERS** that Volume 2 of the Second Report, including the non-redacted schedule of LOI's received with the Receiver's recommendation being Exhibit "A" thereto, the non-redacted list of APAs received with Qualified Bidders' being Exhibit "B" thereto, the Receiver's desktop analysis of its estimate of value prepared prior to the receipt of the Metrix Appraisal for discussion with representatives of Trez Capital Corporation and Vector Financial Services Limited being Exhibit "C" thereto, the three (3) realtor proposals obtained by the Receiver or Vector Financial Services Limited being Exhibit "D" thereto, the Metrix Appraisal (as defined and referenced in Volume 1 of the Second Report) being Exhibit "D" thereto, and the four

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(4) binding Agreements of Purchase and Sale that were not accepted by the Receiver being Exhibit "E" thereto, be and are hereby sealed until the Receiver is discharged or upon further order of the court.

Lien Claims

10. **THIS COURT ORDERS** that the Receiver or its lawyers, Steinberg Morton Hope & Israel LLP, are hereby authorized and directed to make payments or to hold funds in trust, as the case may be, as set out in Schedule E hereto and that upon making such payments or retaining such funds, the claims for lien and certificates of action now registered on title to the Property shall be deemed to be vacated, discharged or expunged as set out pursuant to the terms of the within order.

Aid and Recognition

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

ENTERED AT / DÉPOSÉ À TORONTO
CN / BOOK NO.:
LE / DANS LE REGISTRE NO.:



DEC - 6 2013


(Signature of Judge)

SCHEDULE A

Court File No. CV-13-10082-00CL

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

B E T W E E N:

**THE EQUITABLE TRUST COMPANY and
TREZ CAPITAL CORPORATION**

Applicants

and

1598490 ONTARIO LIMITED

Respondent

RECEIVER'S CERTIFICATE

RECITALS

- A. Pursuant to an Order herein of the Honourable Justice Mesbur of the Ontario Superior Court of Justice (the "Court") dated May 24, 2013 Ira Smith Trustee & Receiver Inc. was appointed as the receiver (the "Receiver") of the assets, undertakings and properties of the respondent 1598490 Ontario Limited (the "Debtor") as described in the said Order.
- B. Pursuant to an Order of the Court dated December 6, 2013 (the "Approval Order") the Court approved the accepted offer to purchase made as of October 17, 2013 (the "Centurion APA") between the Receiver and Centurion Acquisition Corporation (the "Purchaser") and provided for the vesting in the Purchaser or whomever it may direct or nominate of the Debtor's right, title and interest in and to the Property as defined in the

-2-

Centurion APA, which vesting is to be effective with respect to the Property upon delivery by the Receiver to the Purchaser with a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the property; (ii) that the conditions to closing as set out in sections 14, 19 and 20 of the Centurion APA 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 meaning as set out in the Centurion APA and the Approval Order.

The Receiver certifies the following:

1. The Purchaser or its nominee has paid and the Receiver has received the Purchase Price for the Property payable on the Closing Date pursuant to the Centurion APA.
2. The conditions to Closing as set out in sections 14, 19 and 20 of the Centurion APA have been satisfied or waived by the Receiver and the Purchaser.
3. The Transaction has been completed to the satisfaction of the Receiver.
4. The Certificate was delivered by the Receiver at (time) on (date).

Ira Smith Trustee & Receiver Inc.
Per: Ira Smith
Title: President

THE EQUITABLE TRUST COMPANY ET AL
Applicants

-and-

1598490 ONTARIO LIMITED ET AL
Respondent
Court File No. CV-13-10082-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

RECEIVER'S CERTIFICATE

STEINBERG MORTON HOPE & ISRAEL LLP
Barristers & Solicitors
5255 Yonge Street, Suite 1100
Toronto, Ontario
M2N 6P4

David A. Brooker (35787W)
Tel: 416-225-2777
Fax: 416-225-7112

Lawyers for Ira Smith Trustee & Receiver Inc.,
the court appointed receiver of the respondent 1598490
Ontario Limited

RCP-E 4C (July 1, 2007)

SCHEDULE B

PIN 76285 - 0001 LT

UNIT 1, LEVEL I, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 - 0002 LT

UNIT 2, LEVEL I, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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ON M6A 2C3

P.I.N. 76285 - 0003 LT

UNIT 3, LEVEL I, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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ON M6A 2C3

P.I.N. 76285 - 0004 LT

UNIT 4, LEVEL I, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF JELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0005 LT

UNIT 5, LEVEL I, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0006 LT

UNIT 6, LEVEL I, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0007 LT

UNIT 7, LEVEL I, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
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P.I.N. 76285 - 0008 LT

UNIT 8, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF: DELORAINE AVENUE IS CONFIRMED BY PLAN BAI497, NY770229 PLAN 11031; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
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P.I.N. 76285 - 0009 LT

UNIT 9, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BAI497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known us: 3443 Bathurst Street, Toronto,

ON M6A 2C3

P.I.N. 76285 -0010 LT

UNIT 10, LEVEL I, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BAI497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 -0011 LT

UNIT 11, LEVEL I, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BAI497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
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P.I.N. 76285 -0012 LT

UNIT 12, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BAI497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 -0013 LT

UNIT 13, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BAI497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
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P.I.N. 76285 -0014 LT

UNIT 14, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BAI497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,

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P.I.N. 76285 -0015 LT

UNIT 15, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BAI497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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ON M6A 2C3

P.I.N. 76285 - 0016 LT

UNIT 16, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BAI497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0017 LT

UNIT 17, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BAI497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0018 LT

UNIT 18, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BAI497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0019 LT

UNIT 19, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BAI497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0020 LT

UNIT 20, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 - 0021 LT

UNIT 21, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 - 0022 LT

UNIT 22, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 -0023 LT

UNIT 23, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 -0024 LT

UNIT 24, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 -0025 LT

UNIT 25, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 -0026 LT

UNIT 26, LEVEL, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known: s: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 -0027 LT

UNIT 1, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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ON M6A 2C3

P.I.N. 76285 -0028 LT

UNIT 2, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS ASS2TQIJIII\$GIIEDULE A AS IN AT3206944; CITY OF TORONTO,

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 -0029 LT

UNIT 3, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 -0030 LT

UNIT 4, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF JELORAINE AVENUE IS CONFIRMED BY PLAN BAI497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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ON M6A 2C3

P.I.N. 76285 - 0031 LT

UNIT 5, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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P.I.N. 76285 - 0032 LT

UNIT 1, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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ON M6A 2C3

P.I.N. 76285 - 0033 LT

UNIT 2, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA 1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 - 0034 LT

UNIT 3, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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ON M6A 2C3

P.I.N. 76285 - 0035 LT

UNIT 4, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 - 0036 LT

UNIT 5, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 - 0037 LT

UNIT I, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO.

Municipally known as: 3443 Bathurst Street, Toronto, ON
M6A 2C3

P.I.N. 76285 -0038 LT

UNIT 2, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON
M6A 2C3

P.I.N. 76285 -0039 LT

UNIT 3, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON
M6A 2C3

P.I.N. 76285 -0040 IT

UNIT 4, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

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M6A 2C3

P.I.N. 76285 -0041 IT

UNIT 5, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON
M6A 2C3

P.I.N. 76285 -0042 LT

UNIT 1, LEVEL 5, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON
M6A 2C3

P.I.N. 76285 -0043 LT

UNIT 2, LEVEL 5, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA 1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 -0044 LT

UNIT 3, LEVEL 5, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

P.I.N. 76285 -0045 LT

UNIT 4, LEVEL 5, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON
M6A 2C3

P.I.N. 76285 - 0046 LT

UNIT 1, LEVEL 6, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto, ON
M6A 2C3

P.I.N. 76285 - 0047 LT

UNIT 1, LEVEL 7, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINE AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN 11031.; SUBJECT TO EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3206944; CITY OF TORONTO

Municipally known as: 3443 Bathurst Street, Toronto,
ON M6A 2C3

SCHEDULE "C"**CLAIMS TO BE DELETED AND EXPUNGED FROM TITLE TO THE REAL PROPERTY**

<u>Instrument No.</u>	<u>Date</u>	<u>Document</u>
AT2835630	2011/10/07	Charge to The Equitable Trust Company for \$8,352,000
AT2835631	2011/10/07	Notice of general assignment of rents to ETC
AT2835847	2011/10/07	Charge to Vector Financial Services Limited for \$660,000
AT2978008	2012/03/29	Notice re: Vector Financial Services Limited
AT3219128	2013/01/18	Notice re: Vector Financial Services Limited
AT3303141	2013/05/17	Construction lien by Air-F Inc.
AT3306034	2013/05/23	Construction lien by Ronen Management Services Inc.
AT3317011	2013/06/05	Construction lien by Trio Mechanical Contractors Ltd.
AT3337483	2013/06/28	Certificate re: Ronen lien
AT3342432	2013/07/04	Certificate re: Air-F lien

SCHEDULE "D"
ASSUMED ENCUMBRANCES RELATED TO THE REAL PROPERTY
(UNAFFECTED BY THE VESTING ORDER)

<u>Instrument No.</u>	<u>Date</u>	<u>Document</u>
64BA1497	1979/10/24	Plan Boundaries Act
TR94451	2002/07/19	Site plan agreement with City of Toronto
AT1774568	2008/05/07	Notice of site plan agreement with City of Toronto
AT1899559	2008/09/18	Notice of encroachment agreement with City of Toronto
AT2458855	2010/07/27	Transfer Easement to Rogers Cable Communications Inc.
AT3204190	2012/12/21	Notice of amending site plan agreement with City of Toronto
TCP2285	2012/12/28	Standard condominium plan
AT3206944	2012/12/28	Condominium declaration
AT3241184	2013/02/21	Transfer of easement to TSCC No. 2285
AT3247950	2013/03/01	Condominium by-law no. 1

SCHEDULE "E"**LIST OF FUNDS TO BE PAID OR HELD IN TRUST FOR LIEN CLAIMANTS**

1. To Air-F Inc. or as it may direct: \$15,000.00
2. To Trio Mechanical Contractors Ltd or as it may direct: \$32,537.50.
3. To be held in trust for claim for lien by Ronen Management Services Inc., subject to release upon further order of This Honourable Court: \$219,130.28

THE EQUITABLE TRUST COMPANY ET AL
Applicants

-and-

1598490 ONTARIO LIMITED ET AL
Respondent

Court File No. CV-13-10082-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

APPROVAL, VESTING AND DISTRIBUTION ORDER

STEINBERG MORTON HOPE & ISRAEL LLP
Barristers & Solicitors
5255 Yonge Street, Suite 1100
Toronto, Ontario
M2N 6P4

David A. Brooker (35787W)
Tel: 416-225-2777
Fax: 416-225-7112

Lawyers for Ira Smith Trustee & Receiver Inc.,
the court appointed receiver of the respondent 1598490
Ontario Limited

RCP-E 4C (July 1, 2007)



Court File No. CV-13-10082-00CL

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

THE HONOURABLE MR.

)

TUESDAY, THE 18TH

JUSTICE MCEWEN

)

DAY OF MARCH, 2014

B E T W E E N:

**THE EQUITABLE TRUST COMPANY and
TREZ CAPITAL CORPORATION**

Applicants

and

1598490 ONTARIO LIMITED

Respondent

ORDER

THIS MOTION, made by Ira Smith Trustee & Receiver Inc., in its capacity as court appointed Receiver (the “Receiver”) of the assets, undertakings and properties of the respondent, 1598490 Ontario Limited (the “Debtor”), for an order approving the Receiver’s statement of receipts and disbursements attached as Exhibit “G” to the Third Report, approving the Receiver’s activities, fees and disbursements as set out in the Second Report, and approving the entering into of the Purchasers’ Litigation Agreement as outlined in Third Report, was heard this day at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario.

-2-

ON READING the Third Report and the exhibits attached thereto, the Affidavit of Brandon Smith sworn March 14, 2014 (the “Smith Fee Affidavit”) and the Affidavit of Michael Cass sworn March 14, 2014(the “Cass Fee Affidavit”) and on hearing the submissions of the lawyer for the Receiver, no other person appearing for any other party although properly served as appears from the affidavit of service filed herein,

Service

1. **THIS COURT ORDERS** that the time for service of the Receiver’s notice of motion and the motion record dated March 14, 2014 is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

Approval of Activities

2. **THIS COURT ORDERS** that the (i) Third Report of the Receiver (including volume 2 of thereof), (ii) the activities that the Receiver described herein, (iii) the statement of receipts and disbursements contained therein and (iv) the fees and disbursements of the Receiver described therein and in the Smith Fee Affidavit and the Cass Fee Affidavit be and are hereby approved.

3. **THIS COURT ORDERS** that the Purchasers’ Litigation Agreement as set out in Exhibit “A” to Volume 2 of the Third Report is hereby approved and the Receiver is hereby authorized and directed to enter into the Purchasers’ Litigation Agreement and to act in accordance with its provisions.

4. **THIS COURT ORDERS** that all parties to the Purchasers’ Litigation Agreement are authorized to act in accordance with its terms.

-3-

Sealing

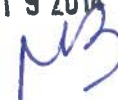
5. **THIS COURT ORDERS** that Volume 2 of the Third Report, including the Purchasers' Litigation Agreement being Exhibit "A" thereto, be and are hereby sealed until the Receiver is discharged or upon further order of the court.



(Signature of Judge)

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

MAR 19 2014



THE EQUITABLE TRUST COMPANY ET AL
Applicants

-and-

1598490 ONTARIO LIMITED ET AL
Respondent
Court File No. CV-13-10082-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

APPROVAL, VESTING AND DISTRIBUTION ORDER

STEINBERG MORTON HOPE & ISRAEL LLP
Barristers & Solicitors
5255 Yonge Street, Suite 1100
Toronto, Ontario
M2N 6P4

David A. Brooker (35787W)
Tel: 416-225-2777
Fax: 416-225-7112

Lawyers for Ira Smith Trustee & Receiver Inc.,
the court appointed receiver of the respondent 1598490
Ontario Limited

RCP-E 4C (July 1, 2007)

Court File No. CV-13-10082-00CL

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

THE HONOURABLE *MR*)
JUSTICE *T. McGowan*)

TUESDAY, THE 22nd
DAY OF APRIL, 2014

B E T W E E N:

**THE EQUITABLE TRUST COMPANY and
TREZ CAPITAL CORPORATION**

Applicants

and

1598490 ONTARIO LIMITED

Respondent

ORDER

THIS MOTION, made by Ira Smith Trustee & Receiver Inc., in its capacity as court appointed Receiver (the “Receiver”) of the assets, undertakings and properties of the respondent, 1598490 Ontario Limited (the “Debtor”), for an order approving the Receiver’s statement of receipts and disbursements attached as Exhibit “F” to the Fourth Report, approving the Receiver’s activities, fees and disbursements as set out in the Fourth Report, and approving the entering into of a settlement by the Receiver with respect to the action commenced by Ronen Management Services Inc. as evidenced in the Fourth Report, was heard this day at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario.

-2-

ON READING the Fourth Report and the exhibits attached thereto, the Affidavit of Brandon Smith sworn April 16, 2014 (the "Smith Fee Affidavit") and the Affidavit of Michael Cass sworn April 16, 2014 (the "Cass Fee Affidavit") and on hearing the submissions of the lawyer for the Receiver and of being advised of the consents of the responding parties to the relief being sought,

Service

1. **THIS COURT ORDERS** that the time for service of the Receiver's notice of motion and the motion record dated April 16, 2014 is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

Approval of Activities

2. **THIS COURT ORDERS** that the (i) Fourth Report of the Receiver, (ii) the activities that the Receiver described herein, (iii) the statement of receipts and disbursements contained therein and (iv) the fees and disbursements of the Receiver described therein and in the Smith Fee Affidavit and the Cass Fee Affidavit be and are hereby approved.

3. **THIS COURT ORDERS** that a settlement of the Ronen Claim as set out in the Fourth Report is hereby approved and the Receiver is hereby authorized and directed to enter into the settlement terms as set out therein.

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

APR 22 2014

NB


(Signature of Judge)

THE EQUITABLE TRUST COMPANY ET AL
Applicants

-and-

1598490 ONTARIO LIMITED ET AL
Respondent
Court File No. CV-13-10082-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER

STEINBERG MORTON HOPE & ISRAEL LLP
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5255 Yonge Street, Suite 1100
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Lawyers for Ira Smith Trustee & Receiver Inc.,
the court appointed receiver of the respondent 1598490
Ontario Limited

RCP-E 4C (July 1, 2007)

MINUTES OF SETTLEMENT

B E T W E E N:

CHAIM BIALOSTOZKY

(“Bialostozky”)

- and -

IRA SMITH TRUSTEE & RECEIVER INC.

(“The Receiver”)

WHEREAS the Receiver initiated a motion as against Bialostozky (“the motion”) within the Proceeding referred to as CV-13-10082-00CL on Toronto’s Commercial list (“the Proceeding”);

AND WHEREAS the motion was opposed by Bialostozky;

AND WHEREAS, the motion was not completed and no finding was rendered by the Court in connection with the issues on the motion;

AND WHEREAS the parties wish to resolve any and all differences between them raised in the within Proceeding and motion, and all matters as between them absolutely;

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The motion shall be dismissed without costs and with prejudice;
2. The Receiver hereby releases and forever discharges Bialostozky from any and all forms of relief to which the Receiver might otherwise have been entitled or which the Receiver might otherwise have sought as against Bialostozky, including but without limitation, the issues of any costs incurred by the Receiver in respect of which the Receiver may have, could have or would have sought contribution from Bialostozky;
3. The parties agree that there have been no admissions by Bialostozky and all allegations of the Receiver as against Bialostozky are expressly denied;
4. The Receiver agrees to take the appropriate steps, at its own cost, if any, to dismiss the motion on a without costs basis, which dismissal is with prejudice to all issues raised in the motion and the Proceeding as against Bialostozky, and Bialostozky agrees to instruct his counsel to cooperate with the Receiver’s counsel to fulfill all of the necessary steps to achieve the motion dismissal, and the Receiver’s counsel will provide confirmation of same to Bialostozky’s counsel;

5. The parties agree that this settlement is not an admission of liability by Bialostozky, and in fact, such liability is expressly denied.
6. The Receiver agrees that this settlement and the terms of this settlement are confidential between the parties and are not to be disclosed to any third party except the Receiver's legal and financial advisors or as may be required by law.
7. The Receiver agrees not to make any disparaging remarks about Bialostozky;
8. The Receiver agrees that it has had an opportunity to receive independent legal advice with respect to this settlement.
9. The Receiver acknowledges that by signing these Minutes of Settlement that it understands its terms and is signing these Minutes of Settlement voluntarily.
10. These Minutes of Settlement may be executed in two or more counterparts, all of which together shall constitute a single agreement, and facsimile or Adobe PDF copies of signature pages have the force and effect of an original signature.
11. The parties agree that the entering into of the within Minutes and settlement of the Proceeding are conditional on the Receiver obtaining Court approval for the same and on the Receiver obtaining Court approval of the settlement reached in the Application commenced by Yoseph Shtizberg, Linum Corp and 16 other parties as set out in Court File Number CV-13-10120-00CL, both at the Receiver's expense. In the event that Court approval is not granted for either settlement then the parties agree that the settlement of the Proceeding is void, and that it shall continue

DATED at Toronto, this ____ day of _____, 2014.

Witness

Chaim Bialostozky

DATED at Toronto, this ____ day of _____, 2014.

Witness

IRA SMITH TRUSTEE & RECEIVER INC.

Per: _____ (print name)

"I have authority to bind the Corporation"

Ontario
Superior Court of Justice

September 2, 2014

Shitzberg et. al. v. 1598490 Ontario Limited
CV-13-1020-00CL

Minutes of Settlement

Whereas the parties hereto have agreed to settle the within proceeding;

Now therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree:

1. The Receiver will bring a motion for Court approval of the within settlement, on Consent of the parties hereto.
2. The \$2,700,000 in issue in this proceeding shall be distributed as follows:
 - (a) the sum of \$1,000,000 to the Receiver in its capacity as such; and,

CV-13-10120-0001

September 2, 2013

(b) the sum of \$1,700,000 to be divided among Linum Corp. and Elsbury Enterprises Limited as they agree ~~by their~~ through their lawyers.

3. The Respondent Sheldon Weirles shall, in respect of pay to the Receiver in ~~to~~ the Receiver's capacity as such the sum of \$100,000. the Receiver's Cross-application,

4. The parties as well ^{as} ~~at~~ TREZ Capital and Vector Financial Services shall exchange mutual full and final releases in a form satisfactory to Counsel, subject to the Receiver's ability to obtain a release from Trez Capital. Vector Financial Services shall release Chaim Bialostocky in his personal capacity. ~~and~~ ^{they} does not derive from M. Barak's consultation with the Receiver.

5. Any interest that has accrued on the \$2,700,000 shall be ~~star~~ distributed to the Receiver, ~~and~~ Linum and Elsbury proportionate to their share of the Settlement. Continuing its actions against Bialostocky for the approximate sum of \$50,000.

~~CV-10120~~ CV-13-10120-0001


September 2, 2014

6. The Application and cross-application shall be dismissed, without costs.

Signed September 2, 2014. by the parties hereto.



Yossef Horberg


for Linum Corp.


Ran Havi

for Elsbury Enterprises Limited

SMITH TRUSTEE RECEIVER INC. APPOINTED
BY THE COURT - APPOINTED
RECEIVER OF 1548410 LIMITED
for the Receiver

Per: 
PRESIDENT


Counsel for

for Sheldon Weinles





Yossef Shitzberg for the Applicants
except for Linum Corp.

Court No: CV-13-10120-00CL
Estate No: 31-457389

Receiver's Interim Statement of Receipts and Disbursements

IN THE MATTER OF THE RECEIVERSHIP OF

1598490 ONTARIO LIMITED

FOR THE PERIOD FROM MAY 24, 2013 TO AUGUST 31, 2014

RECEIPTS

Receipt of funds from G. Krikunez	\$ 2,699,615.00
Release of GIC security: Laurentian Bank	3,018.68
Proceeds from sale of 3443 Bathurst St.	8,000,000.00
Property tax received from purchaser	1,145.54
Net proceeds from insurance claim	61,268.63
Refund of unearned insurance premium	2,908.20
Receiver's Certificate 1	460,000.00
Receiver's Certificate 2	4,210.69
Receiver's Certificate 3	170,000.00
Receiver's Certificate 4	172,000.00
Advance from 2nd Mortgagee per litigation cost sharing agreement	38,432.07
Return of Tarion Deposit incl. interest	460,680.56
Credit from Enbridge Gas	14.30
Interest	556.14
HST Refunds	119,272.66

TOTAL RECEIPTS:	\$ 12,193,122.47
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DISBURSEMENTS

Filing Fee Paid to Official Receiver	\$ 70.00
Advertising	6,588.75
Locksmith	364.00
Appraisal Fee	7,500.00
Repayment of Borrowings - Certs. 1-4 plus interest	857,295.53
Security	2,007.00
Insurance	8,669.10
Bank Charges	92.95
Paid from proceeds of sale to settle construction liens Lien	177,537.50
Paid to City of Toronto & A.O. Shingler re property taxes	16,745.16
Paid to Trez Capital Corporation from proceeds of sale re: 1st Mtge	6,900,000.00
HST Paid	91,435.85
Consultants Fees	33,751.56
Receiver's Fee	273,424.75
Fees paid to Receiver's legal counsel	344,148.03
Property Manager	1,350.00
Utilities	20,126.35
Maintenance and Repairs	22,510.72
Deposit paid to Tarion	460,000.00

TOTAL DISBURSEMENTS	\$ 9,223,617.25
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AMOUNT ON HAND AS AT AUGUST 31, 2014	\$ 2,969,505.22
---	------------------------

Note 1: Trez Capital Corporation advanced \$3,289.31 to ISI in its capacity as Privately Appointed Receiver. These funds were disbursed under the private appointment for: 1. Bank Fees; 2. Utilities; and 3. HST.

Note 2: From the funds on hand \$2,699,615 is held in a 1 year cashable GIC.

Court File No. CV-13-10120-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

**THE EQUITABLE TRUST COMPANY and
TREZ CAPITAL CORPORATION**

Applicants

and

1598490 ONTARIO LIMITED

Respondent

**AFFIDAVIT OF BRANDON SMITH
(Sworn September 23, 2014)**

I, Brandon Smith, of the City of Vaughan, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Senior Vice-President of Ira Smith Trustee & Receiver Inc. (“**ISI**”), the court-appointed receiver (the “**Receiver**”) of 1598490 Ontario Limited (the “**Debtor**”). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.
2. ISI was appointed Receiver under Private Appointment over all assets, properties and undertakings of the Debtor pursuant to security held by The Equitable Trust Company and Trez Capital Corporation on April 3, 2013 (the “**Private Appointment**”).

3. ISI was appointed Receiver of all of the assets, properties and undertakings of the Debtor pursuant to an Order of the Ontario Superior Court of Justice dated May 24, 2013 (the **“Receivership Order”**).
4. Pursuant to paragraph 18 of the Receivership Order, the Receiver and its legal counsel are required to pass their accounts from time to time.
5. Attached hereto and marked as **Exhibit “A”** to this my Affidavit is a summary of the fees charged and accounts rendered by the Receiver in respect of the proceedings (the **“Accounts Summary”**) for the period from April 11, 2014 to September 19, 2014 (the **“Time Period”**). A copy of the invoice rendered by the Receiver and referenced in the Accounts Summary is attached to this my Affidavit as **Exhibit “B”**.
6. The Receiver has filed its Fifth Report with this Honourable Court, which outlines, among other things, the Receiver’s overall actions and activities since the date of the Second Report.
7. A total of 72.8 hours were expended by the Receiver in connection with this matter during the Time Period, giving rise to fees totaling \$ 32,392.50 (excluding HST) for an average hourly rate of \$444.95 and allocated approximately as outlined in the Accounts Summary.
8. To the best of my knowledge, the rates charged by the Receiver throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Greater Toronto Area for the provision of similar services.
9. The hourly billing rates outlined on the Accounts Summary are the normal hourly rates charged by the Receiver for services rendered in relation to similar proceedings.
10. I verily believe that the Receiver’s accounts are fair and reasonable in the circumstances.
11. Attached as Exhibit “A” to the Affidavit of Michael Cass sworn September 23, 2014 and filed in support of the within motion are copies of the accounts rendered by Steinberg Morton Hope Israel LLP (**“SMHI”**), counsel to the Receiver, for the period from April 17 to September 17, 2014.

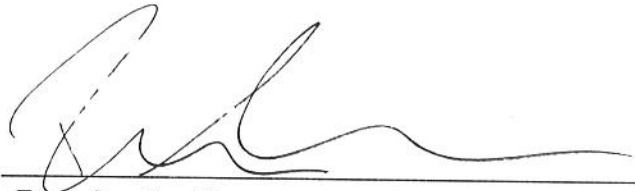
12. SMHI has rendered services throughout these proceedings consistent with instructions from the Receiver, the Receiver has approved all such accounts and I verily believe that the fees and disbursements of SMHI are fair and reasonable in the circumstances.

13. The said Affidavit is sworn in connection with the Receiver's motion to have, among other things, its fees and disbursements approved by this Honourable Court and for no improper purpose.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario,
on September 23, 2014.



A Commissioner for taking affidavits,
Ira Smith, a Commissioner, etc.,
Province of Ontario, for Ira Smith
Trustee & Receiver Inc., Trustee in
Bankruptcy. Expires May 13, 2017.



Brandon Smith

**FIFTH REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
1598490 ONTARIO LIMITED**

April 11, 2014 to September 19, 2014

Staff Member	Title	Total Hours	Hourly Rate (\$CDN)	Amount Billed (\$CDN)
Ira Smith, MBA CPA CA•CIRP, Trustee	President	67.9	450.00	30,555.00
Brandon Smith, BA CIRP, Trustee	Senior Vice-President	<u>4.9</u>	375.00	1,837.50
Total		<u>72.8</u>	Average hourly rate of \$444.95	32,392.50
Disbursements				<u>146.76</u>
				<u>32,539.26</u>

This Exhibit ^{4A} referred to in the
Affidavit of BRANDON SMITH
Sworn before me this 20th day of SEPTEMBER, 2014

[Signature]
A Commissioner, etc.
Province of Ontario for Ira Smith
Trustee & Receiver Inc., Trustee in
Bankruptcy. Expires May 13, 2017.



167 Applewood Cres. Suite 6, Concord, ON L4K 4K7
 Phone: 905.738.4167
 Fax: 905.738.9848
 irasmithinc.com

R-Deloraine

September 22, 2014

GST/HST # 86236 5699

**IN THE MATTER OF THE RECEIVERSHIP OF
 1598490 Ontario Limited**

For professional services rendered for the period from April 11, 2014 to September 19, 2014 inclusive, in acting as Receiver of 1598490 Ontario Limited in accordance with the Order of the Ontario Superior Court of Justice (Commercial List) dated May 24, 2013 as follows (detail attached):

<u>Staff</u>	<u>Hourly rate</u>	<u>Hours</u>
I. Smith, President and Trustee	\$450	67.9
B. Smith, Senior Vice-President and Trustee	\$375	4.9
		<u>72.8</u>
		\$ 32,392.50

Disbursements:

Postage, fax and courier	\$ 118.25	
Parking/Mileage/Travel	<u>28.51</u>	
		<u>146.76</u>
		\$ 32,539.26
	HST	<u>4,230.10</u>
		<u>\$ 36,769.36</u>

This Exhibit referred to in the
 Affidavit of
 Sworn before me this ... day of, 20 14

A Commissioner of the Province of Ontario, for Ira Smith
 Trustee & Receiver Inc. Trustee in
 Bankruptcy. Expires May 13, 2017.

Account Due When Rendered

Ira Smith Trustee & Receiver Inc.
Detail Time Sheet
Period from: 11/04/2014 to 19/09/2014

Keyname	Full Estate Name			In the Matter of the Receivership of 1598490 Ontario Limited	
Deloraine	Date	Employee	Hours	Remark	Amount
April-15-14		Brandon Smith		0.4 prep R&D for 4th report	150.00
April-15-14		Ira Smith		2.4 Prep of 4th report to Court and Exhibits rvw and accept D brooker edits to 4th report; prepare and finalize fee	1,080.00
April-16-14		Brandon Smith		2.2 affidavit an other exhibits; travel to from and attend at SMHI for signing and commissioning	825.00
April-17-14		Brandon Smith		0.5 2nd interim bia report	187.50
April-22-14		Brandon Smith		read bell claim letter fwd from centurion and respond to bell's insurance 0.7 adjuster; corresp w/ SMHI re approval of 4th report and pmt to ronen;	262.50
April-23-14		Brandon Smith		0.4 issue chqs to SMHI and ronen as per 4th approved rpt	150.00
April-24-14		Brandon Smith		discussion w/ Marty re CRA request re centurion undertaking to self 0.1 assess	37.50
May-02-14		Ira Smith		Telcon w. David Brooker re 9:30 on Monday, issues to raise, no need for 0.6 Receiver to attend and additional review work we should do concerning the Shtizberg et al litigation	270.00
May-02-14		Ira Smith		Telcon w. D. Brooker re issues to be dealt with on Monday at 9:30 with 0.4 Justice Brown and position of Receiver	180.00
May-22-14		Ira Smith		Telcon from D. Brooker re S. Weinles affidavits, need for conference call 0.4 tomorrow; rcpt and rvw and respond to email re same	180.00
May-23-14		Ira Smith		0.9 Conf call w. D. Brooker, F. Laurie, M. Baratz re Weinles affidavit and purchaser litigation	405.00
May-23-14		Ira Smith		1.2 Research and email re GL entries re Whitegate	540.00
June-03-14		Ira Smith		1.8 Rvw of boxes on Deloraine, cash journals and gl re certain funds transactions re WG	810.00

Ira Smith Trustee & Receiver Inc.
Detail Time Sheet
Period from: 11/04/2014 to 19/09/2014

Keyname	Full Estate Name			
Deloraine	In the Matter of the Receivership of 1598490 Ontario Limited			
Date	Employee	Hours	Remark	Amount
June-04-14	Ira Smith		1.1 Deloraine rvw of certain bank statements, Weinles affidavit, telcon w. D. Brooker and email to TD re WG transactions	495.00
June-04-14	Ira Smith		0.8 Telcon w. David Brooker regarding April 2013 deposit and transfer to Finsbury, issues involved and need for additional affidavit	360.00
June-05-14	Ira Smith		4.2 Prep of reply affidavit to May 2014 Weinles affidavit, email to D. Brooker re same	1,890.00
June-06-14	Brandon Smith		0.2 commission I smith affidavit	75.00
June-06-14	Ira Smith		3.1 Finalize affidavit, swear affidavit, email to D Brooker et al	1,395.00
June-09-14	Ira Smith		0.3 Telcon w. D. Brooker, email to TD re USD drafts	135.00
June-24-14	Ira Smith		1.8 Begin prep for examination on Thursday	810.00
June-25-14	Ira Smith		2.1 Continue prep for Thursday exam	945.00
June-26-14	Ira Smith		4.2 Travel to examination, meet before w. D. Brooker, exam, travel back to office	1,890.00
July-10-14	Ira Smith		0.6 Emails with David Brooker re need to have call for undertakings from examination re Shtizberg	270.00
July-21-14	Brandon Smith		0.4 rvw email from adjuster re amended proof of loss, prepare exeute and send	150.00
July-22-14	Ira Smith		3.1 Reviewing undertakings list, reviewing emails and files to provide undertakings	1,395.00
July-28-14	Ira Smith		0.2 Rvw of letter to Israeli Lawyer re mediation and Receiver's position	90.00
July-28-14	Ira Smith		1.1 Rvw of Krikunez examination transcript	495.00
August-05-14	Ira Smith		0.4 Rvw of I Smith undertaking chart and documents from D. Brooker	180.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 11/04/2014 to 19/09/2014

Keyname	Full Estate Name			
Deloraine	In the Matter of the Receivership of1598490 Ontario Limited			
Date	Employee	Hours	Remark	Amount
August-25-14	Ira Smith	4.6	Travel to and from and attend Court re C. Bialostovsky contempt hearing	2,070.00
August-26-14	Ira Smith	6.3	Travel to and from and attend in Court today for C. Bialostozky contempt hearing continuation	2,835.00
August-28-14	Ira Smith	2.1	Rvw of mediation briefs filed to date to prep for meeting w. Vector tomorrow and Tuesday's mediation hearing	945.00
August-28-14	Ira Smith	0.2	Emails w. D. Brooker re tomorrow	90.00
August-29-14	Ira Smith	3.7	Prep for, travel to and from and attend meeting at Vector w. M. Baratz, F. Laurie and D. Brooker to discuss and plan for mediation	1,665.00
September-02-14	Ira Smith	10.6	Travel to and from and attend Shtizberg mediation	4,770.00
September-03-14	Ira Smith	0.4	Email to Mickey and Frank re cash on hand, telcon w. F. Laurie	180.00
September-16-14	Ira Smith	4.4	Drafting of Fifth Report to Court	1,980.00
September-17-14	Ira Smith	1.1	Updating Fifth Report to Court after obtaining D. Brooker comments	495.00
September-19-14	Ira Smith	3.8	Finalizing Volumes 1 and 2 of Fifth Report to Court	1,710.00
		72.8		32,392.50
	Employee	Hours		Amount
	Ira Smith	67.9		30,555.00
	Brandon Smith	4.9		1,837.50
		72.8		32,392.50
Average Hourly Rate:		\$	444.95	

**THE EQUITABLE TRUST COMPANY and
TREZ CAPITAL CORPORATION**

Applicants

And

1598490 ONTARIO LIMITED

111

Respondent

Court File No.: CV-13-10082-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
- COMMERCIAL LIST -**

Proceeding commenced at Toronto

**AFFIDAVIT OF BRANDON SMITH
(Sworn September 23, 2014)**

Ira Smith Trustee & Receiver Inc.
167 Applewood Crescent, Suite 6
Concord, ON L4K 4K7

Brandon Smith BA CIRP, Trustee
Tel: 905-738-4167
Fax: 905-738-9848

Court-appointed receiver of
1598490 Ontario Limited

Court File No. CV-13-10082-00CL

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

B E T W E E N:

**THE EQUITABLE TRUST COMPANY and
TREZ CAPITAL CORPORATION**

Applicants

and

1598490 ONTARIO LIMITED

Respondent

**AFFIDAVIT OF MICHAEL CASS
Sworn September 23, 2014**

I, Michael Cass, of the City of Vaughan, in the Regional Municipality of York, barrister and solicitor, MAKE OATH AND SAY:

1. I am a member of the law firm of Steinberg Morton Hope & Israel LLP ("SMHI"), the lawyers for the court appointed receiver, Ira Smith Trustee & Receiver Inc., of the respondent, 1598490 Ontario Limited, and, as such, have knowledge of the matters contained in this affidavit.
2. Pursuant to the Order of the Honourable Madam Justice Mesbur dated May 24, 2013 (the "Appointment Order"), Ira Smith Trustee & Receiver Inc. was appointed as Receiver of all the properties, undertakings and assets (the "Purchased Assets") of the respondent as more particularly described in the Appointment Order.

-2-

3. This affidavit is made in connection with the Receiver's motion for, *inter alia*, the approval of the fees and disbursements of SMHI with respect to legal services rendered as independent counsel to the Receiver in connection with the receivership proceedings during the period from April 17, 2014 to September 17, 2014 (the "Period"). Attached hereto as **Exhibit "A"** is a record of the legal services rendered by SMHI to the Receiver together with the disbursements incurred in connection therewith for the Period.

4. Attached hereto as **Exhibit "B"** is a summary of the names, years of call (where applicable), hourly rates and time expended by the lawyers and other professionals at SMHI whose services are reflected in the time dockets in Exhibit "A" herein.

5. To the best of my knowledge, the record attached as Exhibit "A" provides a fair and accurate description of the activities undertaken and the services rendered by SMHI on behalf of the Receiver during the Period.

6. To the best of my knowledge, the rates charged by SMHI are comparable to the rates charged for the provision of services of a similar nature and complexity by other small to medium sized law firms in the Toronto market.

SWORN BEFORE ME at the City of Toronto,
in the Province of Ontario on September 23,
2014



Commissioner for Taking Affidavits
(or as may be)

DAVID BROOKER



MICHAEL CASS

This is Exhibit "A" referred to in the Affidavit of Michael Cass
sworn September 23, 2014



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

September 17, 2014

RE: Receivership of 1598490 Ontario Limited

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Apr-17-14	Finalization of motion record; meeting with B. Smith	0.30	142.50	DB
Apr-21-14	Email exchange with M. Katzman;	0.10	47.50	DB
	Review of email from D. Michaud; review of record re preparation for attendance;	0.40	190.00	DB
Apr-22-14	Attendance at Superior Court to obtain settlement order; draft of letter to client; review of email re Bell claim;	3.30	1,567.50	DB
Apr-23-14	Email exchange with A. Price; review of email from Master Weibe;	0.10	47.50	DB
Apr-25-14	Review of letter from A. Price with order; email to counsel with letter;	0.20	95.00	DB
May-02-14	Telephone conversation with I. Smith; email to M. Katzman; review of file; telephone conversation with court; email to I. Smith;	1.50	712.50	DB
May-05-14	Attendance before Brown J. on Commercial List (including travel);	3.20	1,520.00	DB
May-06-14	Email exchange with F. Laurie; review of file; email to counsel;	0.60	285.00	DB
May-07-14	Email exchange with B. Jaffe;	0.10	47.50	DB
May-08-14	Email exchange with M. Katzman re dates;	0.10	47.50	DB
May-12-14	Email exchange with counsel re dates for examinations;	0.10	47.50	DB
May-14-14	Email to M. Ross re dates;	0.10	47.50	DB
May-15-14	Email exchange with counsel re dates for examinations and service of material;	0.20	95.00	DB
May-20-14	Email exchange with counsel re dates for examinations; summary review of Weinles affidavit; email to clients with affidavit; email to I. Smith re bank statements;	0.40	190.00	DB
May-22-14	Review of Weinles affidavit; telephone conversation with I. Smith; search of White Gate Financial; email exchange with clients; email to I. Smith.	1.70	807.50	DB

May-23-14	Teleconference with F. Laurie, M. Baratz and I. Smith; email exchange with counsel re dates; email to D. Michaud re Weinles affidavit; telephone conversation with D. Michaud;	1.70	807.50	DB
May-25-14	Letter to clients;	0.30	142.50	DB
Jun-03-14	Review and revision of draft correspondence; review of letter from S. Martin; email exchange with M. Baratz; email to I. Smith;	0.40	190.00	DB
Jun-04-14	Telephone conversation with I. Smith; review of file;	0.90	427.50	DB
Jun-05-14	Review of emails from I. Smith re accountant; telephone conversation with I. Smith re affidavit; review and revision of draft affidavit and email to I. Smith re same;	1.30	617.50	DB
Jun-08-14	Review of affidavits and preparation for cross examinations;	3.00	1,425.00	DB
Jun-09-14	Preparation for cross examination of Y. Shtizberg; email exchange with counsel; telephone conversation with I. Smith;	5.30	2,517.50	DB
Jun-10-14	Preparation for and attendance at cross-examination of Y. Shtizberg at Victory Verbatim (including travel);	9.30	4,417.50	DB
Jun-11-14	Preparation for and attendance at cross-examination of A. Lavi at Victory Verbatim (including travel); telephone conversation with F. Laurie;	7.40	3,515.00	DB
Jun-12-14	Telephone conversation with F. Laurie, M. Baratz and R. Melvin; telephone conversation with I. Smith; telephone conversation with M. Baratz; email exchange with I. Smith;	2.10	997.50	DB
Jun-13-14	Review of email from I. Smith;	0.10	47.50	DB
Jun-16-14	Email exchange re cross-examinations; review of file; review of Rules and law re issue of cross examinations and Rule 32.02;	1.70	807.50	DB
Jun-17-14	Email exchange with J. Adair; review of emails from counsel;	0.20	95.00	DB
Jun-19-14	Telephone conversation with S. Martin; email exchange re cross-examinations; telephone conversation with I. Smith;	0.40	190.00	DB

Jun-20-14	Email exchange with counsel; telephone conversation with F. Laurie;	1.70	807.50	DB
Jun-22-14	Review of file and preparation for cross-examination of G. Krikunez;	2.20	1,045.00	DB
Jun-23-14	Review of file and preparation for cross-examinations of Krikunez and Weinles; email exchange with counsel; email exchange with client;	6.40	3,040.00	DB
Jun-24-14	Preparation for and attendance at cross-examination of G. Krikunez (including travel); preparation for cross-examination of S. Weinles; review of email from S. Martin;	9.70	4,607.50	DB
Jun-25-14	Preparation for and attendance at cross examination of S. Weinles (including travel); review of transcript of I. Smith from cross-examination	9.50	4,512.50	DB
Jun-26-14	Attendance at continued cross-examination of I. Smith (including travel);	2.50	1,187.50	DB
	Prepare list of undertakings and refusals of Y. Shtizberg;	1.20	150.00	KS
Jun-30-14	Review of transcripts; dictation of letter to clients and instructions to clerk; telephone conversation with M. Baratz; email exchange with counsel;	3.30	1,567.50	DB
	Finalization of correspondence; telephone conversation with F. Laurie;	0.50	237.50	DB
Jul-01-14	Continuation of review of transcript including that of A. Lavi;	1.30	617.50	DB
Jul-02-14	Exchange of email with F. Laurie; review of file; telephone conversation with F. Laurie;	0.90	427.50	DB
Jul-03-14	Prepare undertakings chart of A. Lavi;	1.00	125.00	KS
Jul-04-14	Draft of letter to M. Hardi;	0.80	380.00	DB
	Review of draft letter to M. Hardi; conference with D. Brooker re letter;	0.30	142.50	MC
	Prepare undertakings of I. Smith;	1.40	175.00	KS
Jul-08-14	Email exchange with counsel and client; telephone conversation with F. Laurie;	0.50	237.50	DB
Jul-09-14	Email exchange with counsel re scheduling and mediation; review of draft undertakings and revision to same; email to I. Smith re undertakings;	1.40	665.00	DB

Jul-10-14	Review and revision of undertakings charts; telephone conversation with I. Smith re undertakings; telephone conversation with M. Baratz re undertakings; email exchange with counsel; review of transcripts;	3.50	1,662.50	DB
Jul-11-14	Email to M. Baratz; review of email from M. Baratz;	0.30	142.50	DB
Jul-15-14	Email exchange with counsel re mediation; email to clients with transcripts; review of email from M. Baratz;	0.60	285.00	DB
	Review of Weinles transcript and preparation of undertakings/refusals chart	0.50	125.00	DK
Jul-16-14	Review of Weinles transcript and preparation of undertakings/refusals chart	4.60	1,150.00	DK
Jul-17-14	Email exchange with counsel; telephone conversation with F. Laurie;	0.70	332.50	DB
	Review of Krikunez transcript and preparation of undertakings/refusals chart	3.10	775.00	DK
Jul-18-14	Email to counsel re mediation;	0.20	95.00	DB
Jul-21-14	Attendance at Superior Court before Brown J. (including travel); email exchange with counsel; review of email from M. Baratz; email to M. Baratz;	2.80	1,330.00	DB
Jul-22-14	Email exchange with counsel re mediation; review of letter from R. Hai; email to client re letter and mediation;	0.70	332.50	DB
Jul-23-14	Review of transcript and undertakings re Weinles; email to counsel;	1.60	760.00	DB
Jul-24-14	Review and revision of undertaking charts; review of Krikunez transcript; email exchange with counsel re mediation;	1.80	855.00	DB
	Review of list of documents to be produced by Weinles and cross reference of same with documents already available	0.50	125.00	DK
Jul-25-14	Review of several emails from counsel re mediation; completion of Krikunez undertakings; review of law re issue of privilege; conference with D. Krysik re research;	2.10	997.50	DB
	Review of email from M. Ross; email exchange re mediation;	0.10	47.50	DB

	Research re privilege	1.30	325.00	DK
Jul-31-14	Email exchange re mediation; conference with D. Krysik re research on privilege issues;	0.50	237.50	DB
	Research re receiver and solicitor client privilege	1.50	375.00	DK
Aug-03-14	Review of answers to undertakings provided by I. Smith; completion of undertakings chart including organization of undertakings and review of file;	1.90	902.50	DB
Aug-04-14	Completion of answers to undertakings; email to I. Smith re answers to undertakings;	1.00	475.00	DB
Aug-05-14	Telephone conversation with F. Laurie; review of Weinles document brief; review of email from D. Michaud; email to S. Martin; review of email from S. Martin;	1.90	902.50	DB
	Review of receivership order; additional research re privilege; draft letter to counsel re privilege	1.30	325.00	DK
Aug-06-14	Exchange of email with counsel re mediation; email to client; review of email and research memo from D. Krysik; conference with D. Krysik;	0.40	190.00	DB
	Additional research re privilege	1.00	250.00	DK
Aug-07-14	Review of file; email to R. Hai; review of email from counsel; telephone conversation with M. Baratz;	1.80	855.00	DB
Aug-08-14	Review and finalization of undertakings; review and revision of draft correspondence; email to R. Hai; summary review of undertakings of Weinles;	1.60	760.00	DB
Aug-11-14	Summary review of answers to undertakings from Weinles; email exchange with R. Hai; email exchange with counsel re mediation;	0.60	285.00	DB
Aug-12-14	Conference with assistant re finalization of answers to undertakings;	0.20	95.00	DB
Aug-13-14	Review of Weinles undertakings; dictation of memo re Weinles undertakings; email exchange with M. Katzman re request for adjournment; email exchange with clients; telephone conversation with M. Katzman;	3.40	1,615.00	DB

Aug-14-14	Review and revision of memo re Weinles undertakings; dictation of letter to S. Martin; email exchange re mediation;	1.10	522.50	DB
Aug-15-14	Review of email from M. Katzman with translated medical notes; email to client; review of email from client; email to M. Katzman;	0.40	190.00	DB
Aug-18-14	Review and revision of draft correspondence; review of letters from S. Martin; telephone conversation with S. Martin; exchange of email with M. Katzman re adjournment request; email to counsel re failure to answer undertakings;	0.70	332.50	DB
Aug-19-14	Exchange of several emails with M. Katzman re adjournment request; email exchange with M. Ross; email exchange with client;	1.50	712.50	DB
Aug-20-14	Preparation of mediation brief including review of transcripts; review of U.S. documents re Chaim; email exchange with M. Katzman; email exchange with clients; review of answers to undertakings of Shtizberg;	2.60	1,235.00	DB
Aug-21-14	Continuation of preparation for mediation including review of transcripts; conference with D. Krysik;	7.50	3,562.50	DB
	Review of transcript in preparation of mediation brief	4.80	1,200.00	DK
	Review file and collate emails re delay attempts by C. Bialostozky for August 22 9:30 appointment;	1.00	125.00	KS
Aug-22-14	Attendance on Commercial List before McEwen J. to argue adjournment (including travel); continuation of review of transcripts and draft of brief; meeting with I. Smith to review and prepare for contempt hearing;	6.10	2,897.50	DB
Aug-23-14	Review of file and preparation for contempt hearing;	2.70	1,282.50	DB
Aug-24-14	Continuation of preparation for contempt hearing; continuation of draft of mediation materials; exchange of email with M. Katzman re further request for adjournment;	3.70	1,757.50	DB

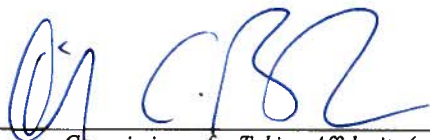
Aug-25-14	Draft of warrant for arrest; attendance at Superior Court Commercial List before McEwen J. to argue adjournment as Chaim was a no show; various emails with clients and counsel; continuation of preparation of mediation brief; email exchange with M. Ross;	5.00	2,375.00	DB
Aug-26-14	Preparation for and attendance at continuation of contempt hearing of Chaim Bialostozky at Superior Court (including travel); review of Weinles electronic productions; email exchange with counsel re mediation; email exchange with clients; continuation of preparation of mediation brief;	8.60	4,085.00	DB
Aug-27-14	Completion of mediation brief; email exchange with counsel;	3.50	1,662.50	DB
Aug-28-14	Draft of correspondence to clients and to Able Translations;	0.50	237.50	DB
	Review of Shtizberg answers to undertakings and update chart;	0.50	62.50	KS
Aug-29-14	Attendance at meeting at Vector's offices for review and preparation for mediation (including travel); review of letter from D. Steinberg; review of opposing mediation briefs;	3.40	1,615.00	DB
Sep-01-14	Review of mediation briefs; email exchange with counsel; email to I. Smith;	1.50	712.50	DB
Sep-02-14	Attendance at mediation before W. Winkler including settlement of claim (including travel);	11.00	5,225.00	DB
Sep-03-14	Email exchange with counsel;	0.10	47.50	DB
Sep-04-14	Email exchange with counsel re court dates; telephone call to M. Katzman; Review of email from B. Jaffe; review of file re settlement;	0.40	190.00	DB
Sep-05-14	Telephone conversation with M. Katzman; email exchange with counsel;	0.10	47.50	DB
	Review of file; draft of letter to client;	0.30	142.50	DB
Sep-08-14	Exchange of email re dates; telephone conversation with M. Baratz; review of draft release and email to S. Martin re same;	0.60	285.00	DB
Sep-10-14	Exchange of email with counsel;	0.10	47.50	DB

Sep-11-14	Review and revision of draft release; email to counsel re draft release;	0.30	142.50	DB
Sep-16-14	Review of draft Fifth Report; telephone conversation with I. Smith; email to Vector; partial dictation of motion record;	1.20	570.00	DB
Sep-17-14	Dictation of notice of motion, order and certificate; email exchange with counsel; telephone conversation with I. Smith;	1.20	570.00	DB
Total Fees		203.00	\$90,455.00	
GST/HST			\$11,759.15	

DISBURSEMENTS**Disbursements**

Jun-6-14	Conduct money - G. Krikunez attendance at cross-examination*	53.00
Jun-11-14	Victory Verbatim Examination – Y. Shtizberg	375.00
Jun-25-14	Victory Verbatim Examination – G. Krikunez	255.00
Jun-27-14	Victory Verbatim Transcript – Y. Shtizberg	1711.20
Jun-30-14	Victory Verbatim Examination and transcripts – A. Lavi	784.50
Jul-16-14	Victory Verbatim Transcript – G. Krikunez	911.70
Jul-16-14	Victory Verbatim Examination and transcript – S. Weinles	2017.50
	Couriers	136.00
	Facsimile	44.00
	Photocopies	639.10
	Postage	4.40
Apr-27-14	Omega Process Servers Conveyancing/Paralegal Invoice 7190	60.00
	Omega Process Servers Conveyancing/Paralegal Invoice 10025	49.47
Jun-10-14	Omega Process Servers Conveyancing/Paralegal Invoice 10244	60.00
Aug-01-14	research invoice dated August 1/14	25.06
Aug-27-14	Winkler ADR - Mediation fees – deposit	2,640.00
Sep-04-14	Neeson & Associates - Mediation fees – boardroom	447.00
Sep-10-14	Winkler ADR - Mediation fees – mediator	320.00
	Totals	\$10,532.93
	GST/HST on Disbursements	\$1,362.39

This is Exhibit "B" referred to in the Affidavit of Michel Cass
sworn September 23, 2014



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

**Fees and Disbursements Summary of Steinberg Morton Hope & Israel LLP
for the period from April 17, 2014 to September 17, 2014**

Name of Professional	Initial	Year of Call	Hourly Rate	Total Hours Billed	Total Fees Billed
David A. Brooker	DB	1994	\$475.00	179.00	\$ 85,025.00
Michael E. Cass	MEC	1967	\$475.00	0.30	\$ 142.50
Daria Krysik	DK	2013	\$250.00	18.60	\$ 4,650.00
Karen Sampson	KS	Law Clerk	\$125.00	5.10	\$ 637.50
Total Fees				203.00	\$ 90,455.00
Total Disbursements					\$ 10,532.93
Total Fees and Disbursements excluding HST					\$100,987.93
HST					\$ 13,121.54
Total Fees and Disbursements including HST					\$114,109.47

THE EQUITABLE TRUST COMPANY ET AL
Applicants

-and-

1598490 ONTARIO LIMITED ET AL
Respondent
Court File No. CV-13-10082-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF MICHAEL CASS
SWORN SEPTEMBER 23, 2014

STEINBERG MORTON HOPE & ISRAEL LLP
Barristers & Solicitors
5255 Yonge Street, Suite 1100
Toronto, Ontario
M2N 6P4

David A. Brooker (35787W)
Tel: 416-225-2777
Fax: 416-225-7112

Lawyers for Ira Smith Trustee & Receiver Inc.,
the court appointed receiver of the respondent
1598490 Ontario Limited

RCP-E 4C (July 1, 2007)

THE EQUITABLE TRUST COMPANY
Applicants

-and-

1598490 ONTARIO LIMITED
Respondent
Court File No. CV-13-10082-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD - VOLUME 1 OF 2

STEINBERG MORTON HOPE & ISRAEL LLP
Barristers & Solicitors
5255 Yonge Street, Suite 1100
Toronto, Ontario
M2N 6P4

David A. Brooker (35787W)

Tel: 416-225-2777

Fax: 416-225-7112

Lawyers for Ira Smith Trustee & Receiver Inc.,
the court appointed receiver of the respondent,
1598490 Ontario Limited