

**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
Returnable Tuesday, March 18, 2014**

March 14, 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 Limited (the “Debtor”), will make a Motion to a Judge presiding over the Commercial List on Tuesday, March 18, 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 (insert one of on consent, unopposed or made without notice);

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

[X] 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 Third Report of the Receiver dated March 14, 2014 (the “Third Report”);
- (c) Approval of the Purchasers’ Litigation Agreement between the Receiver and the secured creditors of the Debtor;
- (d) Sealing volume 2 of the Third Report and of the order requested therein;
- (e) Approval of the Receiver`s activities and fees and disbursements and those of its counsel as set forth in the Third Report;
- (f) The costs of this motion payable from the estate of the Debtor; and
- (g) Such further and other Relief as required in the circumstances and 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 were made by the Receiver as detailed in the Third Report.
- (g) Because of ongoing litigation involving the Debtor and a claim to an asset being made by the Receiver, it was necessary for various parties to enter into an agreement governing the funding of the said litigation, as outline in volume 2 of the Third Report.
- (h) 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, as set forth in the Second Report are reasonable and ought to be approved.
- (i) Such further and other grounds as the lawyers may advise and this Honourable Court may permit.

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

- (a) The Third Report of the Receiver;
- (b) The Affidavits of Michael Cass and Brandon Smith, each sworn March 14, 2014;
and
- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

March 14, 2014

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Lawyers for secured creditor,
Vector Financial Services Limited

SCHEDULE A

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE

)

TUESDAY, THE 18TH

JUSTICE

)

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.

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.

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)

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

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RCP-E-4C (July 1, 2007)

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

NOTICE OF MOTION

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Ontario Limited

RCP-E-4C (July 1, 2007)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

DATED MARCH 14, 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, *inter alia*, 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"**.

2.0 PURPOSE OF THE THIRD REPORT

4. The purpose of this Third Report is to report to this Honourable Court on:
- i. the actions and activities of the Receiver since the Second Report;
 - ii. the completion of the sale of the real property described as 3443 Bathurst St., Toronto, ON to Centurion Acquisition Corporation ("**Centurion**") in the amount of \$8.0 million as approved by this Honourable Court in the Second Approval Order as a result of the Court-approved Sales Process (as described and defined in the First and Second Reports and approved in the First and Second Approval Orders) (the "**Sales Process**");
 - iii. the status of the lien claims that may rank in priority to the claim of the first mortgagee;

- iv. the status of the purchaser litigation for the recovery of the amount of \$2.69 million and the contempt proceedings being brought by the Receiver against the sole Officer and Director of the Debtor, Mr. C. Bialostozky;
- v. the proposed 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**”);
- vi. the accounting for the receipts and disbursements of the Receiver from November 1, 2013 to February 28, 2014; and
- vii. the fees and costs incurred by the Receiver and its legal counsel, Steinberg Morton Hope & Israel LLP (“**SMHI**”), for the period subsequent to those fees approved in the Second Report.

3.0 DISCLAIMER

5. In preparing this Third 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.

6. 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 CONFIDENTIAL VOLUME 2

7. Confidential Volume 2 of this Third Report contains the Purchasers' Litigation Agreement, for which approval of this Honourable Court is being sought for the Receiver to enter into this Agreement.

8. The Receiver is seeking an Order sealing Volume 2 of this Third Report until the discharge of the Receiver, after which time Volume 2 shall become unsealed. The Receiver makes this request to avoid any prejudice that might be caused by publicly disclosing the basis upon which the funding of the receivership administration, and other matters contained in such Purchasers' Litigation Agreement.

9. The Receiver believes that should the terms of the Purchasers' Litigation Agreement be publicly available, it could provide the participants in the litigation with insight into likely strategies being employed and other advice provided to the stakeholders and the Receiver by their respective legal counsel. Such knowledge could undermine the Receiver's position in the litigation and accordingly, the Receiver is making the request for the sealing of Volume 2 of this Third Report and the Purchasers' Litigation Agreement.

5.0 BACKGROUND AND OVERVIEW

10. 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 Third Report to the First Report for a complete overview of the business and its sole asset.

6.0 ACTIVITIES OF THE RECEIVER

11. Since its Second Report, the Receiver has undertaken the following activities:
- i. completion of the sale of the Project to Centurion, including the distribution to the first secured creditor;

- ii. in connection with the lien claims, reviewing the books and records of the Debtor, financial information supplied by Vector, reviewing financial information supplied by the lien claimants, communications with legal counsel and assisting legal counsel in calculations of contract amounts, payments made and potential holdback claims;
- iii. communicating with legal counsel with representatives of Telus Security Solutions concerning its forensic examination of the laptop and smartphone devices ultimately provided by Mr. Bialostozky when served with the contempt motion material;
- iv. preparation for cross-examination at the contempt hearing of Mr. Bialostozky, meeting with legal counsel to prepare, attendance in Court for aborted contempt hearing;
- v. continuing to deal with the litigation commenced by the purported Israeli purchasers of individual residential condominium units prior to the Receiver's appointment, including, communications and meetings with legal counsel, conference calls with the stakeholders and respective legal counsel, consideration of issues with legal counsel prior to litigation settlement discussion meeting, meeting with legal counsel and attendance at case

conference hearing before Mr. Justice Brown, and preparation for examination by each of Mr. J. Adair and Mr. M. Ross, including meeting with legal counsel;

- vi. communications with first and second mortgagees regarding the Receiver's estimated realization from the sale of the Project;
- vii. preparation and issuance of the Second Report;
- viii. finalizing with the insurance adjuster and settling the insurance claim of the Receiver for damage to the Project due to the July 2013 flood damage; and
- ix. discussions with the secured creditors and respective legal counsel in connection with the Purchasers' Litigation Agreement, review and comment on drafts of same and finalization of Agreement, subject to Court approval.

7.0 RECEIVER'S SALE OF THE PROJECT TO CENTURION

12. The Second Approval Order also approved the sale of the Project to Centurion in the amount of \$8.0 million. The sale was completed, as contemplated, on December 12, 2013. As the building was vacant, and the Receiver cancelled its insurance coverage and arranged for final

utility meter readings, all as of the completion date, the only adjustment was a minor one for realty taxes in favour of the Vendor. The net sale proceeds were received by the Receiver's real estate legal counsel, Mr. M. Cass of SMHI, and paid to the Receiver. Attached as **Exhibit "D"** is a copy of the Statement of Adjustments.

13. As indicated in the First and Second Reports, the nature of the three lien claims are described. The Receiver, through its legal counsel, Mr. D. Brooker of SMHI, settled the lien claims of Air-F Inc. o/a Husky Heating and Air Conditioning and Trio Mechanical Contractors Ltd. by reserving from the sale proceeds the amounts required to have both liens vacated, being the amounts of \$15,000 and \$32,537.50, in full and final settlement and with the exchange of mutual releases. The amounts were paid and mutual releases exchanged shortly after the completion of the sale. With respect to the final lien by the claimant Ronen Management Services Inc. and Eli Ronen ("**Ronen**"), please see the discussion below.

8.0 LIEN CLAIMS

14. With respect to the Ronen lien claim, as indicated in the First and Second Reports, Mr. Brooker has been involved in assessing the Ronen claim and the Receiver has assisted Mr. Brooker by providing information as contained in the available books and records of the Company and in reviewing documentation provided by Mr. Ronen's lawyer, Mr. A. Price, to

assist Mr. Brooker in assessing the proper amount of the holdback obligation the Company, and therefore the Receiver.

15. In order to complete the sale of the Project, the Receiver agreed to a holdback of \$219,000 (out of the total Ronen lien claim in the amount of \$536,896.90) to stand as security for the Ronen lien claim, until its ultimate settlement or determination by the Court. On this basis, the Ronen lien claim was vacated for the sale to be completed.

16. The Receiver continues to hold this amount. The Receiver does not anticipate that there will be any funds available for lien claimants, even if their claims are proven, above and beyond the amount of the priority holdback being reserved by the Receiver from the sale of the Project.

17. The most recent case conference was held by Master Wiebe on March 10, 2014. Master Wiebe ordered, *inter alia*, that Ronen must serve its motion record by March 24, 2014. The Receiver must advise Ronen by March 31, 2014 whether the matter may proceed as a motion, or as a trial of an issue. Master Wiebe also set down the remaining timetable in the event of either occurrence, with the matter proceeding to be heard on May 29, 2014, regardless of whether it is a motion or a trial of an issue. Attached as **Exhibit "E"** is a copy of Master Wiebe's Trial Direction.

9.0 OTHER COURT PROCEEDINGS

9.1 Purchaser litigation

18. In the First Report and Second Reports, the Receiver advised that:

- i. before the date of the Appointment Order, there were Agreements of Purchase and Sale for seventeen (17) of the condominium units, and the purchasers were purportedly prepared to complete the transaction as soon as the Occupancy Permit was obtained;
- ii. notwithstanding this, immediately prior to the date of the issuance of the Appointment Order, legal counsel for the purchasers advised that they were not compelled to complete the transaction given that the Company and the purchasers already executed Mutual Release and Termination Agreements purportedly terminating the transactions and releasing each other from any liability;
- iii. on May 23, 2013 (one day prior to the issuance of the Appointment Order), the purchasers served their application material under Court File No.: CV-13-10120-00CL claiming the following:
 - a) an order directing the respondent Gabriel Krikunez to pay the sum of \$2,699,615.00 to the Applicants or as they direct;
 - b) a declaration that the Applicants are not bound by any agreements of purchase and sale with the respondent, the Company;
 - c) costs of the application on a substantial indemnity basis as against ISI in its capacity as private receiver of the vendor;

- d) such further and other relief as this Honourable Court may seem just; and
 - iv. a timetable was agreed to by all counsel, and approved by Justice Morawetz.
19. At the present time the following records have been delivered by the parties:
- i. original Application Record (2 volumes) of the purchasers containing the original Notice of Application, the Affidavit of Yoseph Shtizberg affirmed May 19, 2013 and the Affidavit of Sheldon Weinles affirmed May 27, 2013;
 - ii. responding Application Record of the Receiver dated June 27, 2013 which contains the Affidavit of Ira Smith sworn June 27, 2013;
 - iii. reply Affidavit of Yoseph Shtizberg affirmed August 20, 2013; and
 - iv. responding Application Record of Linum Corp. dated November 7, 2013 which contains the Affidavit of Avraham Lavi affirmed November 4, 2013.
 - v. Linum Corp.'s Amended Notice of Application.
 - vi. The Receiver's notice of counter-application, attached hereto as **Exhibit "F"**.
20. Linum Corp., which was added as a party pursuant to an Order of the Court made on consent, was to serve its material on or before October 11, 2013 and was almost four weeks late in doing so, with no reasonable explanation offered. Any of the other parties may serve material in response to the Linum Corp. material. Linum Corp. is making its own claim to \$1.5 million of the disputed funds referred to above and at this time it is not clear if Linum Corp.'s claim is being disputed by the purchasers.

21. As indicated in Exhibit "F", the Receiver's claim for the funds being made by the Receiver should these proceedings continue is not only for the funds previously held by Mr. Krikunez, 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. LawPro has retained counsel for Mr. Weinles who is in communication with Mr. Brooker.

22. On January 20, 2014, the Mr. I. Smith of the Receiver and Mr. Brooker attended a case conference before Mr. Justice Brown, with the legal counsel for the other parties involved in this litigation. At that time Justice Brown assisted the parties in setting a timetable for this matter to proceed without undue delay. It was also agreed at this case conference that the amount of \$2,699,615.00, being held by Mr. G. Krikunez, legal counsel to Bank of Montreal and the purchasers, would be transferred to the Receiver to be held in trust pending a further Order of the Court.

23. On March 3, 2014, Mr. Smith was cross-examined on his affidavit by each of legal counsel for Linum Corp. and the purchasers. The balance of the cross-examinations are scheduled for March 24, 25 and April 2, 2014.

24. The matter is being dealt with by the Court in tandem with the Court's supervision of this receivership administration, and the Receiver will report further on this matter as it progresses. The Receiver has been in constant communication with both the Applicants and Vector, and their respective legal counsel, who are supporting the decisions made to date by and the efforts of the Receiver in this litigation.

9.2 The sole Officer and Director of the Debtor

25. In the First and Second Reports the Receiver advised of:

- i. the difficulties in obtaining the books and records and information from Mr. C. Bialostozky.
- ii. Finally, in August 2013, Mr. Bialostozky, through his legal counsel, Mr. M. Katzman, indicated that he had one laptop computer and one cellphone which he used for business conducted by the Debtor.
- iii. The Receiver's retainer of the forensic services division of Telus Communications Inc. ("**Telus**"), to review the contents of such laptop and cellphone, under a protocol agreed to by Messrs. Brooker and Katzman.
- iv. The Receiver's review of the reports issued by Telus which leads the Receiver to conclude that a large amount of information remains missing. Specifically, on the devices Mr. Bialostozky provided, there are no files or communications in connection with the above-noted purchasers, their Agreements of Purchase and Sale, their

- Termination and Mutual Release documentation, communications regarding the funds they are claiming to have advanced, any communications with Linum Corp., its representatives or agents, or any brokers involved in the raising and delivery of the funds being claimed by the purchasers and Linum Corp.
- v. Mr. Brooker has raised this issue with Mr. Katzman on many occasions, and Mr. Bialostozky, through Mr. Katzman, is adamant that no other computers or communication devices were used by the Debtor, no further devices or information exists and that all relevant information and documentation has been provided to the Receiver.
 - vi. On October 24, 2013, the Receiver served its motion record for a contempt Order against Mr. Bialostozky. Reply material has been served and cross-examinations to have been held in November 2013 were adjourned upon consent as the Receiver had not yet received additional reports requested from Telus.

26. The further Telus reports were received and reviewed by the Receiver. The Receiver's motion was scheduled to be heard on February 5, 2014, including cross-examinations of both Mr. Smith and Mr. Bialostozky. Messrs. Smith and Bialostozky attended, with respective legal counsel. Unfortunately, due to a Court scheduling issue, the Court office did not deliver the material to Mr. Justice McEwen in time. The Receiver's motion has been rescheduled to be heard on March 20, 2014.

27. The Receiver will further report on this matter to this Honourable Court as it progresses.

10.0 SECURED CREDITORS

28. In the First and Second Reports, the Receiver described its understanding that the Applicants and Vector are both mortgagees of the real property comprising the Project, as well as having registrations under the Ontario Personal Property Security Act registration system. The Receiver also 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 Company.

29. The Receiver also advised that the Receiver had not found any documents to suggest that the Company had any employees, the Receiver provided Canada Revenue Agency (“CRA”) with a copy of the Receiver’s Notice pursuant to Sections 244/245 of the *Bankruptcy and Insolvency Act* (Canada), and that other than for the receipt of an HST refund cheque issued to the Company, CRA has not contacted the Receiver and therefore, the Receiver concluded that CRA did not believe at that time that the Company was indebted to it on account of either unremitted source deductions or HST.

30. In accordance with the Second Approval Order, the Receiver has remitted to the Applicants, the amount of \$6.9 million. The Receiver previously reported that as at November

15, 2013, the indebtedness of the Company to the Applicants was the amount of \$8,423,027.64 on account of both principal and interest. Accordingly, the Applicants to date have suffered a shortfall, and there are no funds available at this time for Vector, the second secured creditor.

11.0 SETTLEMENT OF INSURANCE CLAIM

31. In the First and Second Reports, the Receiver advised of the damage to the interior of the Project due to the major flooding in the City of Toronto in July 2013. The Receiver also advised that the Receiver reported the claim to its insurance broker, who assigned an insurance adjuster who the Receiver was working with in connection with the claim.

32. After extensive discussions, negotiations and certain work carried out by contractors retained directly by the Receiver, the Receiver estimated that net of HST payable, and the policy deductible, it will receive approximately \$85,000 from the insurer on account of the claim. This claim has now been settled and the amount of \$61,053.77 has been received in full and final settlement of the insurance claim.

12.0 RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

33. Attached as **Exhibit "G"** is the Receiver's Statement of Receipts and Disbursements for the period May 24, 2013 to February 28, 2014 indicating funds on hand of \$3,158,794.96. As indicated in the Notes to the Statement of Receipts and Disbursements, the amount of \$2.92 million is being held on account of the litigation and Ronen lien claim described above.

13.0 PROFESSIONAL FEES AND DISBURSEMENTS

34. Attached hereto as **Exhibit “H”** is the Affidavit of Mr. Brandon Smith, Senior Vice-President of ISI, attesting to the fees and disbursements of the Receiver for the period from November 16, 2013 to February 28, 2014, in the amount of \$56,780.83 (inclusive of HST). To date, the amount of \$NIL has been advanced on account of these fees and disbursements.

35. Attached as **Exhibit “I”** is the Affidavit of Mr. Michael Cass in connection with SMHI’s fee and disbursements including the detailed statement of account for the period November 16, 2013 to March 12, 2014 in the amount of \$154,649.11 (inclusive of HST). To date, the amount of \$79,450.62 has been advanced on account of these fees and disbursements.

14.0 CONCLUSION AND RECOMMENDATIONS

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

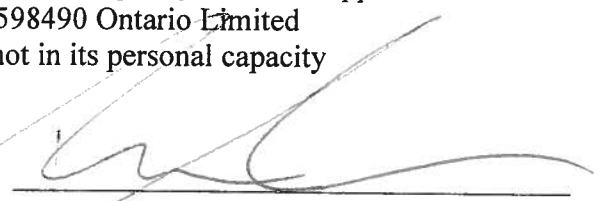
- i. the actions and activities of the Receiver and its legal counsel, SMHI, since the date of the Second Report, as described in this Third Report;
- ii. the Receiver entering into the Purchasers’ Litigation Agreement as described in Volume 1 and as contained in Volume 2 of this Third Report;

- iii. the sealing of Volume 2 of this Third Report and the Purchasers' Litigation Agreement until the discharge of the Receiver; and
- iv. the fees and disbursements of the Receiver and its legal counsel for the period since the Second Report as described and contained herein.

** ** *

All of which is respectfully submitted at Toronto, Ontario this 14th day of March, 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: 

Senior Vice-President

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

MB



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

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

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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

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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

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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

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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

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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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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

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P.I.N. 76285 - 0039 LT

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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

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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

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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

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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 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 - 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

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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

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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

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P.I.N. 76285 - 0018 LT

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P.I.N. 76285 - 0019 LT

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P.I.N. 76285 - 0020 LT

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P.I.N. 76285 - 0021 LT

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P.I.N. 76285 - 0022 LT

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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

Municipally known as: 3443 Bathurst Street, Toronto, 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 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 - 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

Municipally known as: 3443 Bathurst Street, Toronto, 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

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

Municipally known as: 3443 Bathurst Street, Toronto, 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

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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

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Lawyers for the Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)
 JUSTICE *NEWBOLD*)

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:

-4-

- (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
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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 6TH
 JUSTICE *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

-2-

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

-3-

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

-6-

(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 / REGISTRÉ 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

Municipally known as: 3443 Bathurst Street, Toronto,
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

Municipally known as: 3443 Bathurst Street, Toronto,
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

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

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

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

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

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

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,
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 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 -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,
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 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 -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,
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 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 -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

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

P.I.N. 76285 - 0016 LT

UNIT 16, 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 - 0017 LT

UNIT 17, 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 - 0018 LT

UNIT 18, 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 - 0019 LT

UNIT 19, 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 - 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 DELORAIN 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 DELORAIN 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 DELORAIN 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 DELORAIN 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 -0028 LT

UNIT 2, LEVEL 2, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAIN 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

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

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

Municipally known as: 3443 Bathurst Street, Toronto,
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

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 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

Municipally known as: 3443 Bathurst Street, Toronto,
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 DELORAINÉ AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN H03!.; 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 DELORAINÉ AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN H03!.; 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 DELORAINÉ AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN H03!.; 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 -0041 IT

UNIT 5, LEVEL 4, TORONTO STANDARD CONDOMINIUM PLAN NO. 2285 AND ITS APPURTENANT INTEREST STREET LINE OF DELORAINÉ AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN H03!.; 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 DELORAINÉ AVENUE IS CONFIRMED BY PLAN BA1497, NY770229 PLAN H03!.; 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)

STATEMENT OF ADJUSTMENTS

Vendor: Ira Smith Trustee & Receiver Inc.
Purchaser: Centurion Apartment Properties (3443 Bathurst) Inc.
Property: 3443 Bathurst Street, Toronto
Adjusted as of: December 12, 2013

SALE PRICE \$8,000,000.00

DEPOSIT \$800,000.00

REALTY TAXES

2013 total taxes:	20,906.06	
Vendor has paid:	20,906.06	
Vendor's share for 345 days:	19,760.52	
Credit Vendor:		\$1,145.54

BALANCE DUE ON CLOSING

payable to STEINBERG MORTON HOPE & ISRAEL LLP, in trust or as further directed	\$7,201,145.54	
	<u>\$8,001,145.54</u>	<u>\$8,001,145.54</u>

E. & O. E.

SUPERIOR COURT OF JUSTICE

In the matter of a reference under the *Construction Lien Act*, R.S.O. 1990, c.C.30

MASTER WIEBE

File No: CV-13-483202;
 Date: March 10, 2014;
 Title: Ronen Management Services Inc. v. 1598490 Ontario Limited, Chaim Bialostozky, Laurentian Bank of Canada, Trez Capital Corporation, The Equitable Trust Company, Vector Financial Services Ltd. and Standard Condominium Corporation 2282;
 Trial Management Directions #1.

Counsel:

Alan S. Price for *Ronen Management Services Inc.* ("*Ronen*"), tel: 416-214-2700; fax: 416-214-5983;
 David Brooker for *Ira Smith Trustee & Receiver Inc.*, court appointed receiver for 1598490 Ontario Limited ("*the Receiver*"), tel: 416-225-2777; fax: 416-225-7112.

Filings:

Construction lien: filed by Ronen;
 Proof of service: notice was not in proper form;
 Notice of Trial: not in proper form;
 Title abstract: not current; dated as of October 25, 2013;
 Execution search: not provided.

The Ronen lien claim:

Amount: \$536,896.90;
 Date registered: May 23, 2013;
 Registration no.: AT3306034;
 Statement of Claim: June 21, 2013;
 SOD (Receiver): September 9, 2013;
 CC (Receiver): \$50,000 (negligence and breach of contract).

The reference:

Judgment of reference: Justice Low on November 14, 2013;
 First trial management conference: Master Wiebe on March 10, 2014.

Issues:

Mr. Price provided me with a defective form of Notice of Trial. He will have to serve and file a proper form with proof of service. The title abstract (dated October 25, 2013) provided was also dated. It showed the two other claims for lien: Air-F Inc claim for lien of \$21,293 dated May 17, 2013 registered as AT3303141; Trio Mechanical Contractors Ltd. of \$325,370 dated June 5, 2013 registered as AT3317011. It also showed mortgages in favour of The Equitable Trust Company and Vector Financial Services Limited. Counsel advised that all of these instruments

have been discharged and vacated by a vesting order. An up-to-date abstract on 3 units will have to be provided, as well as proof that the said mortgages have been discharged and the said two other lien claims discharged and lien actions dismissed.

Counsel also advised that the subject property was a 6 level, 23 unit, residential condominium named "The Deloraine" located at the corner of Bathurst and Deloraine. Construction was started by 1598490 Ontario Limited ("the owner") in 2006. The owner entered into direct contracts with trades. By 2013 the project was still not completed. 17 units were completed by the fall of 2013, but 6 were not. Trez, a mortgagee, obtained the receivership order, and the property was sold as one block on December 12, 2013 to a real estate investment firm. The liens and mortgages were taken off title as a part of the vesting order. I will need to see a copy of the order(s) discharging the said mortgages, vacating the claims for lien, and discharging the Trio and Air-F claims for lien.

Counsel advised that they are prepared to proceed with the process discussed previously with me by phone in January, 2014. We agreed upon a schedule for the motion/trial of an issue.

Counsel confirmed that there will be a residual issue even after the said motion or trial of an issue, namely the issue of the Ronen contract claim for the shortfall. They advised that this claim will probably be resolved on a consent basis, and that no further reference orders will be necessary after the said motion or trial of an issue.

Orders: In the circumstances, I made, and make, the following orders:

1. **Notice of trial and other matters:** Mr. Price is ordered to prepare a proper form of the Notice of Trial and file it with proper proof of service, along with up-to-date abstracts of title for 3 of the subject units chosen at random and an up-to-date execution search on the owner. Mr. Brooker is ordered to provide me with a copy or copies of the orders that discharged the mortgages and the other two lien claims and that dismissed the actions concerning those other two lien claims. This must all be done on or before **March 20, 2014**.
2. **Ronen motion or trial of an issue:** There will be a motion by Ronen or a trial of an issue. The subject of the said motion or trial of an issue will be the Ronen priority to the Trez mortgage under section 78(2) of the *CLA*. The order given will concern the \$219,000 of sale proceeds being held by the Receiver, but may not be confined to that amount.
3. **Schedule:** The said motion or trial of an issue will follow the following schedule:
 - a) Ronen will serve the Receiver on or before **March 24, 2014** with a motion record containing a motion pursuant to Rule 21(1)(a) for an order determining the aforesaid priority issue.
 - b) The Receiver must advise Ronen in writing whether the motion can proceed as a motion under Rule 21(1)(a) or whether it must be turned into a trial of an issue. Once served, this writing must be filed with the court, which service and filing must be done on or before **March 31, 2014**.
 - c) If the Receiver decides that the motion will proceed as originally constituted, there will be no further evidence submitted other than the Ronen affidavit material.

Alternatively, the parties may replace same with an agreed statement of facts, which statement must be appended to the Ronen factum. If the matter proceeds as a motion, the parties must serve and file their facts and books of authorities in accordance with the *Rules of Civil Procedure*.

- d) If, on the other hand, the Receiver decides to turn the motion into a trial of an issue, the Receiver must on or before **April 14, 2014** serve and file with the court its responding affidavits.
- e) If the matter proceeds as a trial of an issue, the served affidavits will be deemed to be the evidence in chief of the parties. The parties need to bear this in mind when preparing their affidavits. These served affidavits must be filed with the court on or before **April 21, 2014**.
- f) If the matter proceeds as a trial of an issue, the parties must confer and agree upon a Joint Book of Documents containing all documents to be used at the trial that are not contained in the aforesaid affidavits. If the parties cannot agree on such a book, each party must prepare, serve and file its own Book of Documents for the trial. This book or these books must be served on both parties and filed with the court on or before **April 28, 2014**. All documents in these books will be deemed to be admissible and authentic for the purposes of the trial unless either party serves the other with written notice contesting same, which notice must specify the documents being contested, the grounds for the contest, and be served on or before **May 5, 2014**. If there are disputes as to the authenticity or admissibility of documents, these disputes will be determined at trial.
- g) If the matter proceeds as a trial of an issue, the said trial will consist of opening statements followed by cross-examinations on the served affidavits followed by closing arguments.
- h) If the matter proceeds as a trial of an issue, the parties must also on or before **May 5, 2014** file with the court a time schedule showing the time in hours and minutes to be devoted to opening statements, cross-examinations of each affiant and closing arguments. This schedule will govern the trial, and the finalized time limits will not be exceeded without leave of the court. If this schedule shows that the total trial time is to exceed 5 hours, the parties will have to schedule with me forthwith an additional date for the trial of the issue by contacting my Assistant Trial Coordinator, Al Noronha (416-327-9404).
- i) The matter will proceed as either a Rule 21(1)(a) motion or a trial of an issue, as aforesaid, on **Thursday, May 29, 2014**. The entire day will be set aside for this matter, whether the process be a motion or a trial of an issue. The parties and I will strive to keep the following day, May 30, 2014, available for the trial of an issue, if the trial ends by being that long.
- j) If the matter proceeds as a motion, each counsel will be given no more than 2 hours for argument, and Ronen will be given no more than 15 minutes for reply.
- k) If the matter proceeds as a trial of an issue, the parties will be given the times specified in the aforesaid schedule to complete opening statements, cross-examinations and closing arguments. Parties may file arguments in whatever form they find appropriate.

TOTAL P.004

4. **Trial management conference:** If a further trial management conference is necessary, it will be convened after the aforesaid motion/trial of an issue. That can be done by conference call to be arranged by either counsel through my Assistant Trial Coordinator, Al Noronha (416-327-9404). t the only purpose of this conference is to properly constitute the reference and formally order the aforesaid motion or trial of an issue in accordance with the aforesaid schedule. Only counsel for Ronen need attend as a result. At its completion, the first trial management conference will be adjourned to the date of the motion or the trial of an issue, or to a date to be set following the outcome of same. This is for the purpose of allowing further interlocutory orders to be made, if necessary, at that time.

Date: March 10, 2014



MASTER C. WIEBE

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *LAW SOCIETY ACT*, R.S.O. 1990, CHAPTER L.8, BY-LAW 9;
THE *CONDOMINIUM ACT*, 1998, S.O. 1998, CHAPTER 19, SECTION 72; AND IN THE
MATTER OF THE RULES OF CIVIL PROCEDURE, Rule 14.05 (3)(a), (b) and (h)

BETWEEN:

(Court Seal)

**YOSEPH SHTIZBERG, HADASA RAZABI, ISHAYAHU ERENRICH, NISSIM
BURNHAM, SARA HADASA BAKHAJ, SHLOMO SLOOD, NATAN FEDIDA,
AVRAHAM SHTIZBERG, ARIE ZAIGER, RIVKA SAURYMPER, ESTER
KORENFELD, LEA SZAINZNAIDER, BEN GRUBNER, ISRAEL BIALOSTOZKY,
ISRAEL SAURYMPER, SHEMESH SHIRAN, RACHEL KRAUS and LINUM CORP.**

Applicants

and

**1598490 ONTARIO LIMITED, GABRIEL KRIKUNEZ
and SHELDON WEINLES**

Respondents

AND BETWEEN:

1598490 ONTARIO LIMITED

Applicant to Counter-application

and

**YOSEPH SHTIZBERG, HADASA RAZABI, ISHAYAHU ERENRICH, NISSIM
BURNHAM, SARA HADASA BAKHAJ, SHLOMO SLOOD, NATAN FEDIDA,
AVRAHAM SHTIZBERG, ARIE ZAIGER, RIVKA SAURYMPER, ESTER
KORENFELD, LEA SZAINZNAIDER, BEN GRUBNER, ISRAEL BIALOSTOZKY,
ISRAEL SAURYMPER, SHEMESH SHIRAN, RACHEL KRAUS and LINUM CORP.
and SHELDON WEINLESS**

Respondents to Counter-application

NOTICE OF COUNTER-APPLICATION

TO THE RESPONDENT(S)

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The Claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing on a date to be established at a 9:30 chambers appointment before a commercial list Judge, at 10:00 a.m., before a judge presiding over the Commercial List at 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date

Feb 27, 2014

Issued by

Local Registrar

Address of

court office: 330 University Avenue, 7th Floor
Toronto, Ontario
M5G 1R7

A. Anissimova
Registrar

TO: Gabriel Krikunez
1000 Finch Avenue West
Toronto, ON M3J 2V5

AND TO: Sheldon Weinles
104 Caribou Road
Toronto, ON M5N 2A9

AND TO: 1598490 Ontario Limited
123 Bannockburn Avenue
Toronto, ON M5M 2N2

COUNTER-APPLICATION

1. Ira Smith Trustee & Receiver Inc., the court-appointed Receiver of the respondent, 1598490 Ontario Limited (the "Receiver"), makes a counter-application as against the applicants and the respondent Sheldon Weinles as follows: *(State here the precise relief claimed.)*

- (a) an order allowing the Receiver to release the sum of \$2,699,615.00 which it is holding in trust to the credit of the within proceeding to in order to administer the said amount within the auspices of the receivership of 1598490 Ontario Limited;
- (b) an order that the co-respondent herein Sheldon Weinles pay to the Receiver the amount of \$300,371.00;
- (c) the costs of the within application on a substantial indemnity scale as against the applicants herein and the co-respondent Sheldon Weinles; and
- (d) such further and other Relief as to this Honourable Court may seem just.

2. The grounds for the counter-application are:

- (a) By way of Order of the Ontario Superior Court of Justice dated May 24, 2013 (the "Receivership Order"), the Receiver was appointed the Receiver over all assets, property and undertakings of 1598490 Ontario Ltd. (the "Debtor").
- (b) One day prior to the Receivership Order being made, all of the applicants herein with the exception of Linum Corp. commenced an application as against the Debtor and the remaining respondents seeking payment of the amount of \$2,699,615.00.

- (c) On or about March 19 and 20, 2013 the amount of \$3,000,000.00 was transferred into the trust account of Sheldon Weinles, a lawyer who was acting for the Debtor. The ostensible reason given for the transfer of the funds was to purchase 17 units in a condominium building formerly owned by the Debtor.
- (d) In fact, the funds that were transferred into the Weinles trust account were for the benefit of the Debtor, either funds belonging to it, its sole officer and director, or otherwise sent to Weinles to be used for the benefit of the Debtor.
- (e) The said purchase transactions as set out in the Notice of Application herein were a sham and a fraud and designed for the sole purpose of laundering or legitimizing funds by way of payment to the Debtor for transactions which were not real and which were to never occur, or alternatively, if they were to occur, were to be sham transfers.
- (f) With respect to the respondent Weinles, on April 17, 2013, subsequent to being advised of the Receiver's private appointment by creditors of the Debtor, he caused the amount of \$300,371.00 to be paid from his trust account to the Debtor.
- (g) \$1.5 million of the \$3 million initially paid to the Weinles trust account is alleged to be a religious favour to unnamed parties by the respondent Linum Corp. but was in fact a loan made to the Debtor and is therefore property of the Debtor capable of being paid by the Receiver to secured creditors in accordance with the terms of the Receivership Order.

- (h) All funds paid to Weinles were funds properly belonging to the Debtor, and therefore able to be used as payment to its secured creditors;
 - (i) The said funds were not the property of the applicants herein at any time, or alternatively became the property of the Debtor;
 - (j) Such further and other grounds as the lawyers may advise.
3. The following documentary evidence will be used at the hearing of the counter-application:
- (a) The affidavit of Ira Smith sworn June 27, 2013;
 - (b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

February 27 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

YOSEPH SHITZBERG et al.
Applicants

-and-

1598490 ONTARIO LIMITED ET AL
Respondents
Court File No. CV-13-10120-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF COUNTER-APPLICATION

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 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 FEBRUARY 28, 2014

RECEIPTS	
Receipt of funds from G. Krikunez	\$ 2,699,615.00
Proceeds from sale of 3443 Bathurst St.	8,000,000.00
Property tax received from purchaser	1,145.54
Net proceeds from insurance claim	61,053.77
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
Return of Tarion Deposit incl. interest	460,680.56
Credit from Enbridge Gas	14.30
Interest	0.02
HST Refunds	56,665.86
TOTAL RECEIPTS:	\$ 12,088,293.94

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	80.95
Paid from proceeds of sale to settle construction liens Lien	47,537.50
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	68,934.80
Consultants Fees	17,751.56
Receiver's Fee	206,012.56
Fees paid to Receiver's legal counsel	285,955.00
Property Manager	1,350.00
Utilities	20,126.35
Maintenance and Repairs	22,510.72
Deposit paid to Tarion	460,000.00
TOTAL DISBURSEMENTS	\$ 8,929,498.98

AMOUNT ON HAND AS AT FEBRUARY 28, 2014	\$ 3,158,794.96
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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, \$219,130.28 was placed in a 1 year cashable GIC on account of

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 March 14, 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 November 16, 2013 to February 28, 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 Third 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 116.2 hours were expended by the Receiver in connection with this matter during the Time Period, giving rise to fees totaling \$49,852.50 (excluding HST) for an average hourly rate of \$429.02 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 March 14, 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 November 28, 2013 to March 12, 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.

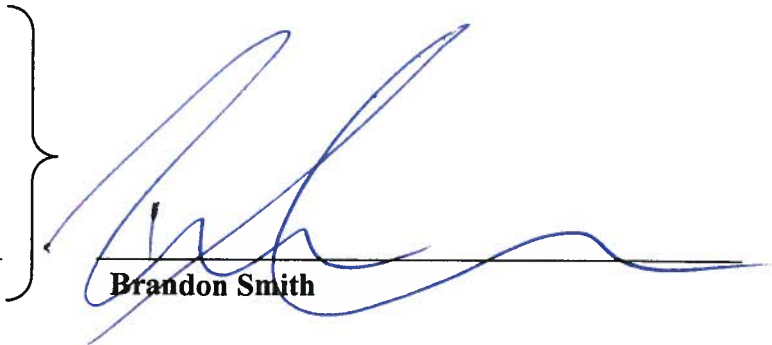
13. The said Affidavit is sworn in connection with the Receiver's motion to have, among other things, its fees and disbursements approved by this Honourable Court and for no improper purpose.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario,
on March 14, 2014.



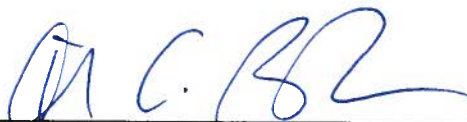
A Commissioner for taking affidavits

DAVID BROOKER



Brandon Smith

This is Exhibit "A" referred to in the Affidavit of Brandon Smith
sworn March 14, 2014



Commissioner for Taking Affidavits (or as may be)


DAVID A. BROOKER

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

November 16, 2013 to February 28, 2014

Staff Member	Title	Total Hours	Hourly Rate (\$CDN)	Amount Billed (\$CDN)
Ira Smith, MBA CPA CA•CIRP, Trustee	President	83.7	450.00	37,665.00
Brandon Smith, BA CIRP, Trustee	Senior Vice-President	22.9	375.00	8,587.50
Martin Wolfe CPA CA	Senior Consultant	9.3	375.00	3,487.50
Stanley Sugar CPA CA	Senior Consultant	<u>0.3</u>	375.00	112.50
Total		<u>116.2</u>	Average hourly rate of \$429.02	49,852.50
Disbursements				<u>376.52</u>
				<u>\$50,229.02</u>

This is Exhibit "B" referred to in the Affidavit of Brandon Smith
sworn March 14, 2014

A handwritten signature in blue ink, appearing to read "D. A. Brooker", written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER



167 Applewood Cres. Suite 6, Concord, ON L4K 4K7

Phone: 905.738.4167

Fax: 905.738.9848

irasmithinc.com

R-Deloraine

March 12, 2014

GST/HST # 86236 5699

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

For professional services rendered for the period from November 16, 2013 to February 28, 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	83.7	
B. Smith, Senior Vice-President and Trustee	\$375	22.9	
M. Wolfe, CA, Senior Consultant	\$375	9.3	
S. Sugar, CA, Senior Consultant	\$375	0.3	
		<u>116.2</u>	
			\$ 49,852.50
 Disbursements:			
Fax/ Telephone/Long Distance	\$ 166.49		
Postage	14.33		
Parking/Mileage/Travel	101.20		
Courier	<u>94.50</u>		
			<u>376.52</u>
			\$ 50,229.02
		HST	<u>6,529.77</u>
			<u>\$ 56,758.79</u>

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 16/11/2013 to 28/02/2014

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
Deloraine	In the Matter of the Receivership of 1598490 Ontario Limited					
18-11-2013		Brandon Smith		0.3	corres w/ P Duff re inspections; corresp w/ Trottier re prop tx	112.50
18-11-2013		Ira Smith		0.4	Telcon w. David Brooker and Michael Cass re Telus and Baratz Judelman, email to Telus re conference call	180.00
19-11-2013		Ira Smith		0.2	Disc w. M. Wolfe re rvw of Telus produced files from C. Bialoztosky	90.00
19-11-2013		Ira Smith		0.2	Rvw of certain files highlighted by M. Wolfe	90.00
19-11-2013		Ira Smith		1.1	Continue drafting Second Report to Court	495.00
19-11-2013		Stanley Sugar		0.3	Telcon w P. Lebo Esbin Realty - update enquiry re sales process	112.50
20-11-2013		Brandon Smith		2.0	preparation of wip/fee affidavit and R&D exhibits to 2nd report; corresp w/ insurance adjuster	750.00
20-11-2013		Ira Smith		0.8	Conf call w. D. Brooker, M. Cass and Telus reps., telcon w. D. Brooker and M. Cass afterwards	360.00
20-11-2013		Ira Smith		0.4	Finalization and issuance of Receiver's net est. realization as at Nov. 15, 2013	180.00
20-11-2013		Ira Smith		0.3	Response to queries from Vector re Receiver's net est realization	135.00
20-11-2013		Ira Smith		0.4	Rvw and comments on D. Brooker draft letter re litigation	180.00
20-11-2013		Ira Smith		2.1	Continuation of drafting Second Report to Court	945.00
20-11-2013		Martin Wolfe		2.5	analysis of Ronen Lien claim, lunch with D Baratz	937.50
21-11-2013		Ira Smith		2.2	Continue drafting Second Report to Court	990.00
21-11-2013		Ira Smith		0.4	Telcon w. M. Cass	180.00
21-11-2013		Ira Smith		0.3	Emails w. Telus and legal counsel re extension of Telus' retainer and deliverables and email to Telus	135.00
21-11-2013		Martin Wolfe		4.8	complete report of Ronen lien claim	1,800.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 16/11/2013 to 28/02/2014

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
Deloraine	In the Matter of the Receivership of 1598490 Ontario Limited					
		22-11-2013	Ira Smith	0.6	Telcons w. M. Cass and D. Brooker re security opinion, Ronen construction lien issues	270.00
		22-11-2013	Ira Smith	4.1	Completion of draft Second Report to Court and email to legal counsel for review	1,845.00
		22-11-2013	Ira Smith	0.8	Rvw of 159 GL for Ronen payable account up to and including Dec 31 2012 and email analysis to D. Brooker and M. Wolfe	360.00
		23-11-2013	Ira Smith	3.4	Perform analysis on Ronen to update for 2013, compare with Price information and make recommendation re holdback	1,530.00
		23-11-2013	Ira Smith	0.2	Email to D. Brooker summarizing analysis and recommending holdback amount	90.00
		25-11-2013	Ira Smith		Telcon and emails w. D. Brooker re Ronen claim calculations, Rvw of 1.2 draft Brooker letter to Price and email to D. Brooker approving of same, further calculations and rwwing emails from M. Wolfe	540.00
		25-11-2013	Ira Smith	4.2	Drafting of second report to court, emails and telcons w. D. Brooker re Ronen issues	1,890.00
		26-11-2013	Ira Smith	4.6	Continue drafting second report to court incl. exhibits	2,070.00
		27-11-2013	Brandon Smith	0.4	emails w/ prop mgr; call to enbridge; rvw claudes prop tx opinion	150.00
		27-11-2013	Ira Smith	5.2	Continue preparing second report to court, 2 volumes, with exhibits, telcons and emails w. D. Brooker re Telus and Ronen	2,340.00
		28-11-2013	Brandon Smith	1.5	corresp w/ prop mgr, centurion and enbridge re draining property and getting gas on	562.50

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 16/11/2013 to 28/02/2014

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
Deloraine	In the Matter of the Receivership of 1598490 Ontario Limited					
28-11-2013		Ira Smith		6.3	Finalizing both volumes of the second report to court, rvw and comments on draft security opinion, telcons w. D. Brooker re construction lien issues and final discussions on amendments to both volumes of the report	2,835.00
28-11-2013		Martin Wolfe		0.5	pick up documents from D Baratz & review	187.50
29-11-2013		Martin Wolfe		0.2	file Oct HST	75.00
02-12-2013		Ira Smith		2.4	Emails and telcons w. D. Brooker re 123 Bannockburn listing and sale dates, Telus Report, litigation settlement discussion offer, Ronen position re holdback and conference call w. D. Brooker and Telus reps.	1,080.00
03-12-2013		Ira Smith		0.4	Telcon w. M. Cass re closing, emails re closing, setting closing date of December 12	180.00
03-12-2013		Ira Smith		1.8	Rcpt of Eli Ronen reply motion record re construction lien, rvw of same, emails and telcon w. D. Brooker re same	810.00
03-12-2013		Ira Smith		0.7	Emails w. Trez, Vector and PWI re holdback issues	315.00
04-12-2013		Ira Smith		0.4	Telcon w. David Brooker and Michael Cass re Price and Ronen and next steps	180.00
04-12-2013		Ira Smith		0.4	Rvw of Telus schedules and additional question given to David Brooker to provide to Telus with his questions	180.00
04-12-2013		Ira Smith		0.3	Telcons w. David Brooker re Ronen/Price issues and lien issues	135.00
05-12-2013		Ira Smith		0.6	Voicemail from M. Cass and email of standard documentation to him, email from D. Brooker and email CA to him, email from and to R. Lysys and Wayne Tuck	270.00
09-12-2013		Brandon Smith		1.4	making arrangements w/ service providers for sale; rvw corresp from ins adjuster and respond; call w/ Wayne re Direct energy	525.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 16/11/2013 to 28/02/2014

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
Deloraine	In the Matter of the Receivership of 1598490 Ontario Limited					
09-12-2013		Ira Smith		2.1	Various telcons and emails re prep for closing and rvw of docs	945.00
10-12-2013		Brandon Smith		2.0	matters re sale housekeeping/utills; insurance	750.00
10-12-2013		Ira Smith		1.8	Telcons w. legal counsel, emails re prep for closing matters re settlign insurance claim; calculations of perdiem and payout	810.00
11-12-2013		Brandon Smith		1.5	to vector as well as HB amts for various items to determine payout to Trez; file HST rtns	562.50
11-12-2013		Ira Smith		2.2	Telcons and emails re closing and funds distribution	990.00
12-12-2013		Brandon Smith		3.5	mtg w/ M Cass to sign closing docs; correp during the day re closing, payments from funds rcvd by SMHI; housekeeping matters relatign to closing, PM utills etc; draft ltrs re LCs	1,312.50
13-12-2013		Brandon Smith		3.0	rcpt of funds from sale proceeds, post proceeds and adjustments, issue pmts to trez, vector and isi; corresp w/ trez & vector	1,125.00
16-12-2013		Brandon Smith		0.4	rcpt of bank instructions from Vector, attend at CIBC, payout certs 3&4, corresp w/ vector re same; rcpt of confirmation that cert filed w/ court re sale and clear to cancel insurance	150.00
18-12-2013		Brandon Smith		0.4	call w/ cass re propo tx and finalize/send ltrs to city and laurention re LCs	150.00
18-12-2013		Brandon Smith		0.3	payables	112.50
18-12-2013		Ira Smith		3.2	Rvw of and swearing of Chaim contempt Affidavit, various emails re same	1,440.00
19-12-2013		Ira Smith		0.2	Telcon w. Morley Greene re fees	90.00
03-01-2014		Martin Wolfe		0.3	p/u cheque fro insurance broker	112.50
08-01-2014		Brandon Smith		0.6	reconcile hydro account and pay o/s final hydro and gas bills	225.00
14-01-2014		Brandon Smith		0.2	call w/ CRA re Dec HST return	75.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 16/11/2013 to 28/02/2014

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
Deloraine	In the Matter of the Receivership of 1598490 Ontario Limited					
14-01-2014		Ira Smith			Telcon w. David Brooker and Michael Cass re Ronen, Shtizberg and 0.8 Chaim issues and going over funding and Vector/Trez agreement, rvw of funds on hand analysis and email to David and Michael	360.00
16-01-2014		Brandon Smith			1.0 rcpt and rvw telephone bill, send to centurion; rvw corresp from Laurentian and corresp w/ City re LC; call from cass re same	375.00
20-01-2014		Ira Smith			3.3 Travel to and from and first meet w. D. Brooker downtown and then attend case conference hearing before Brown, J. with D. Brooker et al for purchasers litigation timetable setting	1,485.00
21-01-2014		Ira Smith			0.9 Telcon w. D. Brooker and M. Cass re call today w. construction lien Master and Price, discussion of points to add to Vector Trez agreement, rvw of proposed additional points per D. Brooker email, blackline and email back to D. Brooker et al	405.00
24-01-2014		Ira Smith			0.7 Email from Krikunez re funds, telcon w. D. Brooker re B. Jaffe telcon re funds, emails re letter to Weinles, rvw and comments on Weinles letter	315.00
27-01-2014		Brandon Smith			0.4 review accounts of SMHI, advise we still need bills as the accounts don't jive with our records	150.00
29-01-2014		Brandon Smith			1.0 receipt of fianl docs from SMHI to allow reconciliation of trust ledger; reconcile and post adjusting entries; LM w/ cra examiner re need to amend return and supporting docs as requested will be forthcoming	375.00
29-01-2014		Ira Smith			0.3 Telcon w. D. Brooker regarding his phone call w. Price and Master Wiebe this morning	135.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 16/11/2013 to 28/02/2014

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
Deloraine	In the Matter of the Receivership of 1598490 Ontario Limited					
		29-01-2014	Ira Smith	0.4	Telcon w. D. Brooker and M. Cass re call w. Master Wiebe this afternoon and re Chaim contempt hearing	180.00
		30-01-2014	Brandon Smith	0.2	TC w/ CRA re dec hst review	75.00
		30-01-2014	Ira Smith	0.6	Telcon w. David Brooker and rcpt and rvw of email from D. Brooker re Ronen lien status	270.00
		31-01-2014	Brandon Smith	1.0	file Jan HST return and send lrt to M. Chang re review of Dec 2013 HST	375.00
		03-02-2014	Ira Smith	0.8	Various emails w. D. Brooker re court proceedings this week and telcon w. D. Brooker re Ronen lien claim status and next steps	360.00
		05-02-2014	Ira Smith	2.1	Rvw of material for prep later today for cross-exam on affidavits re Bialostozky contempt hearing	945.00
		06-02-2014	Ira Smith	4.7	Travel to and from and attend Chaim contempt hearing w. D. Brooker	2,115.00
		07-02-2014	Brandon Smith	0.3	CALLA ND EMAIL FROM CITY RE NON RENEWAL OF LC AND CALLING ON FUNDS	112.50
		07-02-2014	Ira Smith	0.6	Telcons w. D. Brooker re Vector/Trez agreement re litigation, rvw and amendments to same, email blackline to D. Brooker	270.00
		13-02-2014	Brandon Smith	0.4	rcpt of and deposit insurance settlement	150.00
		14-02-2014	Brandon Smith	0.3	transmittal; ltr and send original proof of loss to adjuster	112.50
		20-02-2014	Martin Wolfe	1.0	Obtain access codes and file 12 periods of HST returns	375.00
		24-02-2014	Brandon Smith	0.5	rcv corresp from city re no longer needing LC; write to Laurentian rqst release of collateral	187.50
		24-02-2014	Ira Smith	0.3	Telcon w. M. Cass re title insurance and Ronen lien claim, Michael to write letter to secureds	135.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 16/11/2013 to 28/02/2014

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
Deloraine	In the Matter of the Receivership of 1598490 Ontario Limited					
24-02-2014		Ira Smith		0.2	Telcon w. M. Cass and D. Brooker re litigation agreement and Receiver's schedule	90.00
25-02-2014		Brandon Smith		0.3	assist I smith re reconciliation of trust funds and SMHI bills	112.50
25-02-2014		Ira Smith		1.2	Prep of summary of legal and receiver fees, reserves and cash on hand	540.00
25-02-2014		Ira Smith		0.3	Telcon w. D. Brooker and M. Cass	135.00
27-02-2014		Ira Smith		2.7	Rvw of June affidavit prior to meeting w. D. Brooker for prep for examination on Monday	1,215.00
27-02-2014		Ira Smith		4.7	Travel to and from and attend prep mtg w. David Brooker for 2 exams on Monday	2,115.00
28-02-2014		Ira Smith		3.2	Prep for examination on Monday, telcon w. D. Brooker re Monday, email to D. Brooker re additional direction re funds found	1,440.00
				116.2		49,852.50
			Employee	Hours		Amount
			Ira Smith	83.7		37,665.00
			Brandon Smith	22.9		8,587.50
			Martin Wolfe	9.3		3,487.50
			Stanley Sugar	0.3		112.50
				116.2		49,852.50
			Average Hourly Rate:		\$	429.02

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

Applicants

1598490 ONTARIO LIMITED

And

Respondent

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

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

Proceeding commenced at Toronto

**AFFIDAVIT OF BRANDON SMITH
(Sworn March 14, 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 March 14, 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.

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 November 28, 2013 to March 12, 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, with the exception of two matters for which block fees were charged, and separate disbursements occurred, as set out below.

4. A block fee was charged by SMHI for legal services rendered with respect to an opinion letter regarding securities provided to the Receiver. Attached hereto as **Exhibit "B"** is a copy of Invoice 53346 issued to the Receiver dated December 17, 2013.

5. A block fee was charged by SMHI for legal services rendered with respect to the sale of the property. Attached hereto as **Exhibit "C"** is a copy of Invoice 53369 issued to the Receiver dated December 20, 2013.

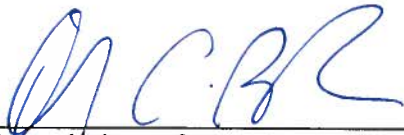
6. A block fee was charged by SMHI for legal services rendered with respect to an opinion letter regarding security and litigation agreement provided to the Receiver. Attached hereto as **Exhibit "D"** is a copy of Invoice 53929 issued to the Receiver dated March 12, 2014.

7. Attached hereto as **Exhibit "E"** 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 docket and accounts in Exhibits "A - D" herein.

8. To the best of my knowledge, the Record attached as Exhibit "A", and the three accounts attached as Exhibits "B", "C" and "D" provide a fair and accurate description of the activities undertaken and the services rendered by SMHI on behalf of the Receiver during the Period.

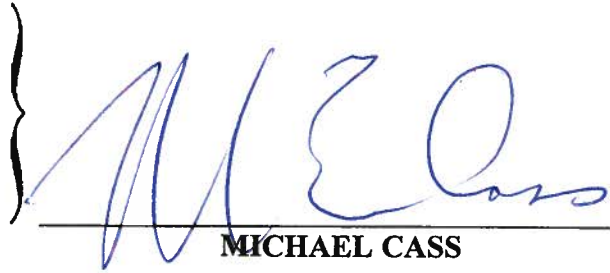
9. To the best of my knowledge, the rates charged by SMHI are comparable to the rates charged for the provision of services of a similar nature and complexity by other small to medium sized law firms in the Toronto market.

SWORN BEFORE ME at the City of Toronto,
in the Province of Ontario on March 14, 2014



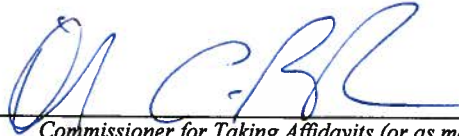
Commissioner for Taking Affidavits
(or as may be)

DAVID BROOKER



MICHAEL CASS

This is Exhibit "A" referred to in the Affidavit of Michael Cass
sworn March 14, 2014



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

Steinberg Morton Hope & Israel LLP

PREBILLING REPORT THROUGH Mar 12/14

LAWYER: David Brooker

FILE: 1300421

BILL FORMAT 22

RE: Receivership of 1598490 Ontario Limited

Ira Smith Trustee & Receiver Inc.

UNBILLED TIME

DATE	LAWYER	DESCRIPTION	TIME	VALUE
Nov 28/13	DB	Review and revision of draft reports; review of letter from A. Price; email to I. Smith re liens; review of letter from G. Gryguc; several emails to counsel; telephone conversation with I. Smith; email to A. Price; conference with M. Cass re liens;	3.60	1,710.00
	MC	Review of motion; correspondence re: Telus report; review Draft Receiver's report; review Property Taxes, Opinion; meeting David Brooker re litigation funds in trust and Ronen costs issue; telephone discussion with I. Smith re trust funds; review correspondence re Ronen holdback;	3.00	1,425.00
Nov 29/13	DB	Final review of motion record including reports; review of further report and date received from Telus; review of email from counsel; telephone conversation with D. Michaud; draft of letter to G. Gryguc; telephone conversation with I. Smith re report and Telus; conference with M. Cass re Telus report and lien claims; email exchange with A. Price; review of draft judgment; email exchange with M Katzman; review and preparation of 9:30 Request Form; telephone conversation with D. Tobok of Telus;	4.30	2,042.50
	MC	Review draft report; meeting D. Brooker re Release Trio; Review affidavit; telephone discussion with R. Melvin; review Telus latest report; discussion D. Brooker re Vesting Order.	3.00	1,425.00
Dec 2/13	DB	Review of letter from I. Smith re dockets; email to counsel re letter; review of Telus report and data; telephone conversation with A. Price; telephone conversation with I. Smith re lien and Telus report; conference call with I. Smith and Telus representatives; further review of Telus report; exchange of email of J. Adair; review of further emails from I. Smith re sale; further telephone conversation with I. Smith; conference with	2.60	1,235.00

PREBILLING REPORT THROUGH

M. Cass re Ronen lien; telephone call to B. Bissell;

	MC	Review of correspondence I. Smith, Telus and J. Adair; telephone discussion M. Greene; review CLA re Bond guarantee; discussion D. Brooker re Bond update M. Greene; review Pelican Woodruff reports; meeting D. Brooker re case law re holdbacks; update Telus status; discussion Vesting Order;	2.40	1,140.00
Dec 3/13	DB	Several telephone conversations with I. Smith re Ronen lien and Telus matters; email to I. Smith re Telus; review of Ronen affidavit; review of letter from G. Gryguc; conference with M. Cass re closing and liens; review of several emails from I. Smith re PWI;	3.60	1,710.00
	MC	Review correspondence Adair; discussion D. Brooker re Adair position; discussion I. Smith and D. Brooker re Adair; telephone inquiry M. Greene; review Ronen Affidavit; discussion D. Brooker;	0.50	237.50
Dec 4/13	DB	Several emails with I. Smith; several telephone conversations with I. Smith; telephone conversation with A. Price; telephone conversation with R. Melvin; telephone conversation with I. Marks; email to A. Price; email to F. Laurie; review of PWI agreements; review of email from Construction Lien Masters office;	4.90	2,327.50
	MC	Review correspondence re Ronen calculations; meeting D. Brooker re Ronen calculations; telephone conference I. Smith and D. Brooker re Ronen lien position; review correspondence re holdbacks; review funds and Pelican Woodruff reports;	1.40	665.00
Dec 5/13	DB	Attendance at 9:30 appointment re contempt motion; several emails to counsel re vesting order; draft of confidentiality agreement; emails with F. Laurie; several telephone conversations with I. Smith; telephone conversation with A. Price; email exchanges with A. Price; conference with M. Cass re closing;	6.10	2,897.50
	DB	Telephone conversation with D. Michaud;	0.50	237.50

PREBILLING REPORT THROUGH

	MC	Review correspondence Pelican Woodruff lien re litigation; review correspondence Vector and litigation; meeting D. Brooker re litigation moving forward; telephone I. Smith re litigation; M. Greene voicemail; M. Greene telephone discussion; discussion D. Brooker re Contempt motion; discussion D. Brooker re Price position and correspondence;	2.60	1,235.00
Dec 6/13	DB	Email exchange with D. Michaud; telephone conversation with D. Michaud; telephone conversation with A. Price; email to A. Price; review of draft order and material for vesting motion; attendance at Superior Court (Commercial List) for motion for vesting order (including travel); having order entered at court; email exchange with F. Laurie; draft of releases and letters to lien counsel;	5.50	2,612.50
	MC	Review correspondence re liens; meeting D. Brooker re status for hearing; review Telus latest correspondence;	0.50	237.50
Dec 9/13	DB	Review of email from Telus; telephone conversation with I. Smith; review of email from B. Smith re insurance claim; telephone conversation with F. Laurie;	2.00	950.00
	MC	Telephone call F. Laurie re liens' review email Telus; telephone discussion I. Smith and D. Brooker re Telus; M. Greene telephone inquiry re status;	0.80	380.00
Dec 10/13	DB	Attendance at meeting with J. Adair and M. Ross; telephone conversation with R. Melvin; telephone conversation with I. Smith; email to I. Smith et al re meeting; email to I. Smith;	2.30	1,092.50
	MC	Meeting D. Brooker re meeting Adair update re meeting; M. Greene telephone follow up re status;	0.40	190.00
Dec 11/13	DB	Telephone conversation with A. Price; review of emails from I. Smith re Telus; telephone conversation with I. Smith; telephone conversation with I. Smith and Telus reps; review of emails	1.80	855.00

PREBILLING REPORT THROUGH

from B. Smith re insurance pay out;

	MC	Review of correspondence re meeting and litigation; telephone discussion I. Smith re latest Telus information; M. Greene status update;	0.70	332.50
Dec 12/13	DB	Review of several emails; telephone conversation with B. Smith; conference with M. Cass;	0.50	237.50
	MC	To numerous meetings with David Brooker re: various matters;	15.80	7,505.00
	MC	Review emails; telephone I. Smith, conference D. Brooker;	0.60	285.00
Dec 13/13	DB	Review of several emails from I. Smith and B. Smith; calculation of pay out; draft of letters to lien counsel;	1.10	522.50
	MC	Review of correspondence; telephone conversation I. Smith;	0.30	142.50
Dec 16/13	DB	Review of Telus reports; review of several emails from B. Smith; review of emails from I. Smith; emails with Telus;	1.20	570.00
Dec 17/13	DB	Draft of affidavit of I. Smith re contempt motion; review of material received from Telus; review of email from B. Smith; email exchange with I. Smith;	2.50	1,187.50
Dec 18/13	DB	Email exchange with I. Smith; telephone conversation with I. Smith; Review of email from R. Melvin;	0.30	142.50
Dec 19/13	DB	Review of final responding application record; email exchange with I. Smith re affidavit; email exchange with I. Smith re	2.00	950.00

Shtizberg application; email exchange with M. Katzman; email to Telus; review of case law re cross-examinations;

	MC		Voicemail exchange with I. Marks; telephone discussion with I. Marks; voicemail from M. Greene; telephone discussion with M. Greene re purchaser litigation; review of respondent material;	0.90	427.50
Dec 20/13	DB		Attendance at 9:30 appointment on Commercial List (including travel); email to counsel and client;	3.20	1,520.00
Dec 23/13	DB		Review of email from R. Melvin; email to J. Adair;	0.20	95.00
Jan 3/14	DB		Review of several emails from I. Smith and M. Cass; review of email from J. Adair; review of file;	0.90	427.50
Jan 4/14	MC		Telephone discussion with RM re Vector and purchaser litigation; review correspondence re Ira Smith, DB, I. Marks; voicemail to RM; telephone discussion RM re Trez Vector agreement; report to DB and Receiver;	1.30	617.50
Jan 6/14	DB		Conference with M. Cass re litigation; review of email from Telus; email to M. Katzman; review of email from B. Smith;	0.40	190.00
	MC		Review of correspondence conference with David Brooker (DB) re litigation and process moving forward; voicemail to Ron Melvin (RM);	0.80	380.00
Jan 7/14	MC		Correspondence Brandon Smith (BS) re insurance claim; telephone discussion BS re insurance claim; follow up re correspondence; memo re status;	1.10	522.50

PREBILLING REPORT THROUGH

Jan 8/14	DB	Review of email from R. Melvin with memo; review of several emails from M. Cass and I. Smith; email to M. Cass and I. Smith;	0.70	332.50
	MC	Voicemail RM; correspondence to Receiver, receipt and review of memo re terms of agreement between Trez and Vector; correspondence response to Receiver role;	1.20	570.00
Jan 9/14	DB	Review of email from M. Cass; telephone conversation with R. Melvin and D. Michaud;	0.40	190.00
	MC	Receipt and review of memo from DB; discussion and review re Ronen litigation and cases; review correspondence re litigation from Adair; conference with DB; receipt and review of further documentation from RM; discussion with DB;	1.30	617.50
Jan 10/14	DB	Exchange of emails with court office and with counsel; telephone conversation with J. Adair; review of several emails re conference with I. Smith and counsel;	0.60	285.00
Jan 13/14	DB	Review of draft Trez/Vector agreement; telephone conversation with B. Jaffe; review of fax from Construction Lien Master re Ronen lien claim; telephone conversation with A. Price; email to R. Melvin and D. Michaud re agreement and lien claim;	0.90	427.50
	MC	Review correspondence re conference with Judge; receipt and review of amended agreement Trez Vector; discussion DB re interest payable on litigation funds; conference with DB re agreement and timing re litigation;	0.70	332.50
Jan 14/14	DB	Review of several counsel emails; review of trust ledgers; conference with M. Cass; telephone conversation with I. Smith;	1.10	522.50
	MC	Correspondence re agreement Vector Trez; telephone discussion RM; further discussion RM re Ronen and status; telephone discussion Ira Smith (IS) and DB re funds in trust;	1.70	807.50

PREBILLING REPORT THROUGH

conference with DB re correspondence Ronen and documentation including Ronen calculations; telephone discussion IS re accounting;

Jan	15/14	DB	Review of emails from client re funds; several emails to counsel;	0.60	285.00
Jan	16/14	DB	Review of several emails;	0.30	142.50
		DK	Review of matter re ex parte motion to dismiss; preparation of affidavit; compiling motion record	2.10	472.50
Jan	17/14	DK	Travel to and attendance at ex parte construction lien motion; re-attendance required	2.50	562.50
		MC	To review of correspondence re letter of credit for Deloraine; to telephone discussion BS re dealing with letter of credit; to review of correspondence from municipality re letter of credit status; to further telephone discussion BS;	0.70	332.50
Jan	20/14	DB	Email exchange with counsel; attendance at case conference before Brown J. on purchasers' application (including travel);	3.60	1,710.00
		MC	To review of correspondence Chaim position; to telephone discussion IS and DB re receiver issues with Trez Vector agreement; further memo re litigation issues for receiver including review of previous correspondence;	0.60	285.00
Jan	21/14	DB	Conference with M. Cass re case conference and Trez/Vector agreement; email to I. Smith and M. Cass re agreement; telephone conference with I. Smith and M. Cass re agreement; review of fax from A. Price with affidavit; review of Ronen file in preparation for conference call with Master; telephone case conference with Master Wiebe and A. Price; several email exchanges with I. Smith;	4.00	1,900.00

PREBILLING REPORT THROUGH

		MC	Update judge conference re timing and costs; correspondence and discussion with BS re accounting; conference with DB re transfer of litigation; to review of memo re transfer of litigation; to telephone discussion DB and IS; further conference DB re Ronen matter, Price position, Pelican memo and affidavit; discussion DB re Pelican; telephone discussion with Lien Master attendance;	1.70	807.50
Jan 22/14		DB	Conference with M. Cass re Purchasers Litigation agreement; email to counsel re agreement; telephone conversation with R. Melvin; email to counsel re Ronen Lien case conference; review of contempt file re 9:30 appointment; email to Commercial List;	2.80	1,330.00
		MC	Telephone discussion IS and DB re receiver position and role in purchaser litigation moving forward; to memo with suggested solution to RM and IM; review of correspondence re Ronen;	0.70	332.50
Jan 23/14		DB	Attendance at Commercial List appointment before Brown J. on contempt motion (including travel); telephone conversations with I. Smith re motion; email to counsel re Trez/Vector Agreement; telephone conversation with D. Michaud; telephone conversation with B. Jaffe; emails to I. Smith and M. Cass re agreement; email to Shtizberg counsel re dates for cross-examinations; telephone conversation with A. Price;	4.70	2,232.50
		DK	Call to Riesz re noting in default	0.20	45.00
		MC	Extensive correspondence re funds in trust and allocation re fees; to email response re solution;	0.60	285.00
Jan 24/14		DB	Draft of letter to S. Weinles; research re contempt motion;	2.50	1,187.50

PREBILLING REPORT THROUGH

	DK	Call to Riesz re follow up on noting in default	0.10	22.50
	MC	To conference DB re trust funds and payment and fees and Chaim's motion; review of correspondences re Weinles; conference DB re amendments; review of RM and IS proposed changes;	0.90	427.50
Jan 26/14	DB	Review of motion material in preparation of factum for contempt motion;	1.00	475.00
Jan 27/14	DB	Review of motion material and preparation of factum for contempt motion;	6.60	3,135.00
	MC	Correspondence and conference with DB re privilege issue; examinations of parties in purchaser litigation; discussion DB re Chaim contempt motion; obtaining order from Judge re Rogers delivery of material;	1.10	522.50
Jan 28/14	DB	Email exchange with B. Smith; two conference calls with Master Wiebe and A. Price; preparation for conference call;	1.90	902.50
	MC	Correspondence re Ronen lien; conference with DB re Master and review of calculations by Price; attendance re telephone conference with Master; conference re case law and Master position with DB; follow up with DB re Telus material required;	0.60	285.00
Jan 29/14	DB	Completion of preparation of factum for contempt motion; conference call with Master Wiebe and A. Price; telephone conversation with I. Smith;	6.10	2,897.50
Jan 30/14	MC	Review of correspondence and Wiebe memo; conference with David Brooker (DB);	0.40	190.00

PREBILLING REPORT THROUGH

Jan	31/14	DK	Travel to and attendance at ex parte construction lien court to obtain order dismissing action	1.50	337.50
		MC	Review of costs issue, correspondence and accounting;	0.50	237.50
Feb	3/14	DB	Summary review of opposing factum and affidavit of V. Walker;	0.30	142.50
Feb	4/14	DB	Review of opposing factum; preparation for contempt motion; telephone conversation with I. Marks; email to counsel;	0.60	285.00
Feb	5/14	DB	Preparation for contempt motion including meeting with I. Smith; email exchange with M. Katzman;	7.80	3,705.00
		DB	Attendance at contempt motion (including travel); email exchange with counsel re cross-examinations; telephone conversation with R. Melvin and I. Marks; email exchange with I. Smith;	4.30	2,042.50
		MC	Review of Katzman material re contempt; discussion DB re material and contempt motion correspondence re costs;	0.60	285.00
Feb	7/14	DB	Telephone conversation with R. Melvin; review of revised purchasers litigation agreement; telephone conversation with I. Smith;	0.90	427.50
		MC	Correspondence from R. Melvin and review of purchaser litigation agreement;	0.40	190.00

PREBILLING REPORT THROUGH

Feb 9/14	DB	Review of email from I. Smith with revised changes to Purchasers Litigation Agreement; email exchange with I. Smith;	0.50	237.50
Feb 11/14	DB	Review of draft Purchasers Litigation Agreement; telephone conversations with D. Michaud and M. Greene; email to assistant; conference with D. Krysik on issue of privilege;	1.60	760.00
Feb 12/14	DB	Review of letter from Price to Master; email to A. Noronha of Master's office; conference with M. Cass re purchasers' litigation agreement;	1.00	475.00
	MC	Conference with DB re Ronen status, Price position and contempt; discussion re purchaser litigation agreement terms; review of purchaser litigation agreement and providing notes; review of correspondence; conference with DB re comments on purchaser litigation agreement; voicemail to IS;	1.70	807.50
Feb 13/14	DK	Research re privilege	1.00	225.00
	MC	Conference with DB re Weinles position, Ronen status and contempt motion; review of correspondence; discussion MG; inquiry re status; review of correspondence from IS;	1.10	522.50
Feb 14/14	DB	Telephone call to Scott Martin;	0.10	47.50
	DK	Research re privilege	1.00	225.00
Feb 18/14	DB	Email exchange with counsel re dates for cross-exams on Shtizberg application; telephone conversation with I. Smith; conference with M. Cass; conference with D. Krysik re issue of solicitor/client privilege; review of memo from D. Krysik and case law; review of letter from Scott Martin re Weinles;	1.50	712.50

PREBILLING REPORT THROUGH

telephone call to A. Price;

	DK	Meeting with DAB re research; Additional research re privilege and preparation of memo re same	3.00	675.00
	MC	Review of accounting between parties; review of purchaser litigation; telephone calls to solicitors;	0.60	285.00
Feb 19/14	DB	Email exchange with counsel re dates for cross-examinations; letter to Scott Martin;	0.80	380.00
	MC	Review of correspondence Adair; discussion with DB re security for costs and cross examination; teleconference with Ira Smith (IS); telephone inquiry re status (MG);	0.80	380.00
Feb 20/14	DB	Review of email from M. Ross;	0.10	47.50
	MC	Review of correspondence DB and IS; inquiry into title insurance coverage re construction lien under mortgagee coverage; discussion with DB; ordering closing report upon Trez Deloraine mortgage review of title insurance policy; telephone discussion with Brandon Smith (BS); correspondence with parties re title insurance; forwarding policy to solicitors; discussion with DB re Ronen status and title insurance coverage;	1.60	760.00
Feb 21/14	DB	Telephone conversation with I. Smith; review of emails from B. Jaffe and M. Ross; research re issue of solicitor/client privilege and disclosure; review of emails re title insurance; review of email from Master Wiebe;	1.40	665.00
	MC	Further review of title insurance coverage issue with DB; review of correspondence; telephone conference with IS and DB re title insurance and status;	1.20	570.00

PREBILLING REPORT THROUGH

Feb 24/14	DB	Conference with M. Cass re Purchasers Litigation Agreement and reconciliation; review of reconciliation; telephone conversation with I. Smith and M. Cass re reconciliation; dictation of notice of cross-application; dictation of correspondence to counsel re privilege;	2.80	1,330.00
	MC	Conference call DB and IS re title insurance and status; correspondence to solicitors for Trez and Vector re insurance claim; telephone discussion re status; review of correspondence re Laurentian Bank LC; telephone discussion with BS re payout of funds and release of city inspection; receipt and review of recommended amendments by solicitor for Trez re purchaser litigation agreement; review of amended litigation agreement; telephone discussion with Trez representatives and IS;	2.60	1,235.00
Feb 25/14	DB	Review of draft of Purchasers' Litigation Agreement; changes to agreement; conference with M. Cass re agreement; review of emails from I. Smith re reconciliation; telephone conversations with I. Smith re agreement; review and revision of draft letter to counsel re privilege; email exchange with counsel re cross-examinations (1.0);	2.60	1,235.00
	MC	Telephone discussion MG; conference with DB re privilege issue and preparation for cross examination; further conferences with DB re accounting status and title insurance matter; review of correspondence and material re fees and funds in reserve; telephone discussion with DB and IS; review of amended litigation agreement; adding additional terms re litigation agreement; conference with DB re changes to purchaser's litigation agreement; review of material from IS re proposed changes; review of purchaser's litigation agreements and comparisons; review of correspondence re amendments to wrong version;	2.40	1,140.00
Feb 26/14	DB	Review and revision of notice of cross application; telephone conversation with Scott Martin; email exchange with counsel re cross-examinations;	0.70	332.50
	MC	Review of IS calculations and explanations re accounting; correspondence discussion with DB re calculations; discussion with MG re status; correspondence re title insurance;	0.90	427.50

PREBILLING REPORT THROUGH

Feb 27/14	DB	Review of file in preparation for meeting with I. Smith; meeting with I. Smith to prepare for cross-examinations;	4.20	1,995.00
	MC	Review of correspondence from RM re title insurance application; telephone call to RM; meeting with DB re privilege issue; telephone discussion IS and DB re status; discussion DB and IS re cross examination strategy and privilege; telephone calls to I. Marks and RM re status;	1.40	665.00
Feb 28/14	DB	Exchange of several emails with I. Smith re cross-examination; email exchanges with counsel re cross-examinations; several telephone conversations with I. Smith re prep for cross-examination;	2.30	1,092.50
	MC	Conference with DB re memo, statutory declaration of Shtizberg and cross examination; update of status; review of correspondence DB and IS; conference with DB re declaration and delivery of funds to Krikunez; telephone conversation IS; conference with DB re cross examination and indicia of fraud; receipt and review of correspondence and documentation from IS re delivery of closing funds;	1.60	760.00
Mar 2/14	DB	Review of material in preparation for cross-examination;	2.30	1,092.50
Mar 3/14	DB	Preparation for and attendance at cross-examination of I. Smith (including travel); review of revised draft Purchasers Litigation Agreement;	6.30	2,992.50
	MC	Conferences with DB re cross examination, accounts and purchaser litigation agreement; report on cross examination of IS; review of notice of counter application documentation by Receiver;	0.80	380.00
Mar 4/14	DB	Review of revisions to draft Purchasers Litigation Agreement; telephone conversation with I. Smith re agreement; conference with M. Cass re agreement; email to D. Michaud re agreement;	0.80	380.00

PREBILLING REPORT THROUGH

	MC	Further review of purchaser litigation agreement and amendments; conference with DB re cross examination; status of various matters; telephone discussion with representative of Trez re various matters; review of correspondence from RRM re amendments;	1.30	617.50
Mar 5/14	MC	Update re Ronen; discussion with DB; follow up re purchaser litigation correspondence;	0.40	190.00
Mar 6/14	DB	Email to counsel and parties re Purchasers Litigation Agreement; review of email from R. Melvin; telephone conversation with A. Price; telephone conference with I. Smith and M. Cass; telephone conversation with R. Melvin; conference with M. Cass re agreement;	2.40	1,140.00
	MC	Review correspondence re purchaser litigation; telephone discussion RM re status; reporting to DB; correspondence and discussion re timing of application for approval and material required; discussion DB re Ronen and Price status; Price rumour re Vector position; telephone conference IS and RB re status and issue of information released; discussion with DB re correspondence re status and information; receipt and review of correspondence from RM re purchaser litigation agreement and amendment thereof; discussion with DB and IS re Price information, effect and strategy;	1.90	902.50
Mar 10/14	DB	Attendance at first trial management conference before Master Wiebe (including travel) on Ronen lien; email to secured creditor counsel; email to I. Smith;	3.60	1,710.00
	MC	Conference with DB re report requirements, accounting and approval applications; receipt and review of correspondence re application;	0.50	237.50
Mar 11/14	DB	Email to secured creditors counsel re Master's direction; email to Purchasers Litigation counsel; exchange of email with M. Ross; (0.7); review of draft Receiver's report; email to I. Smith re Receiver's Report; telephone conversation with D. Michaud;	1.90	902.50

PREBILLING REPORT THROUGH

	MC	Discussion with RM re title insurance issue and follow up and status re execution of purchaser litigation agreement; conference with DB re update and timing of application; receipt and review of Weinles solicitor correspondence; response discussion with DB re status	1.60	760.00
	MC	Review of Master Wiebe orders and correspondence;	0.30	142.50
Mar 12/14	DB	Email exchange with I. Smith re Third Report;	0.20	95.00
	KS	Prepare affidavit of M. Cass and fee summary chart for motion for approval of fees;	0.50	62.50
			222.70	\$102,757.50
			TOTAL H.S.T.	\$27,652.96

TIME SUMMARY

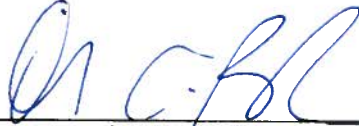
DB	\$475.00	138.30	\$ 65,692.50
DK	\$225.00	11.40	\$ 2,565.00
MC	\$475.00	72.50	\$ 34,437.50
KS	\$125.00	0.50	\$ 62.50

DISBURSEMENTS

	Teraview Search	11.00	
	Courier(s)	114.75	
	Facsimile	38.00	
	Photocopies	1,229.50	
	Postage	3.31	
	Teraview Search*	9.00	
Nov 29/13	Minister of Finance	Motion Record *	127.00

Dec 03/13		research invoice dated Dec 1/13	131 34.62
	Omega Process Servers	Conveyancing/Paralegal INVOICE 20649	75.00
Dec 06/13	Minister of Finance	Filing Fee - motion for contempt*	127.00
Dec 11/13	Omega Process Servers	Conveyancing/Paralegal invoice 21280	30.00
Dec 17/13	Omega Process Servers	Conveyancing/Paralegal invoice 21675	30.44
Jan 02/14		research invoice dated Jan 1/14	28.40
Jan 09/14	Omega Process Servers	Conveyancing/Paralegal 239	30.00
Jan 15/14	Omega Process Servers	Conveyancing/Paralegal invoice 670	60.00
		PPSA Searches *	19.30
Jan 31/14	Omega Process Servers	Conveyancing/Paralegal invoice 2003	60.00
	Korbitec	Conveyancing/Paralegal invoice 2288	100.00
Feb 03/14		research invoice date Feb 1/14	40.26
Mar 04/14	Omega Process Servers	Conveyancing/Paralegal invoice 14-3728	316.18
* tax exempt		DISBURSEMENT TOTAL	\$2,483.76
		TOTAL H.S.T	\$657.04
		TOTAL	\$133,551.26

This is Exhibit "B" referred to in the Affidavit of Michael Cass
sworn March 14, 2014

A handwritten signature in blue ink, appearing to read "D. Brooker", written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

STEINBERG MORTON HOPE & ISRAEL LLP

BARRISTERS & SOLICITORS • TRADEMARK AGENTS

Ira Smith Trustee & Receiver Inc.

IN ACCOUNT WITH:

INVOICE NUMBER **53346**
 FILE NUMBER
 SOLICITOR **1301001**
MC
 H.S.T. #

167 Applewood Crescent
 Suite 6
 Concord, Ontario L4K 4K7

H.S.T. # **121494009RT**

December 17, 2013

Re: Opinion re: Securities 3443 Bathurst

TO PROFESSIONAL SERVICES RENDERED with respect to the above captioned, including but not limited to;

Dec 17/13	MC	To receipt of instructions from I. Smith; to two discussions I. Smith re scope of opinion; to correspondence; to ordering searches of condominium units forming part of security; to receipt and review of 46 unit PINs; to reporting to you; to ordering copy of report to Equitable re original mortgage transaction; to review of report book; to review of security material after first advance; to review of construction lien priorities; to ordering PPSA searches; to review of PPSA filings; to inquiry re Laurentian Bank filing; to drafting Opinion Letter; to discussion re draft Opinion Letter; to amending opinion and finalizing; to reporting to you.	\$3,000.00
	<i>To our Fees</i>		\$3,000.00
	<i>HST @ 13%</i>		<u>\$390.00</u>
	<u>Taxable Disbursements</u>		
	Teraview Search		\$920.00
	PPSA Searches		\$47.64
	<i>Total Taxable Disbursements</i>		\$967.64
	<i>HST on Disbursements</i>		<u>\$125.79</u>
	<i>Total Fees, Disbursements & HST</i>		\$4,483.43
	<i>Transferred from Trust</i>		\$0.00
	<i>Previous invoice(s) outstanding</i>		<u>\$0.00</u>
	<i>Balance due and owing</i>		<u>\$4,483.43</u>

This is our account herein

Steinberg Morton Hope & Israel LLP



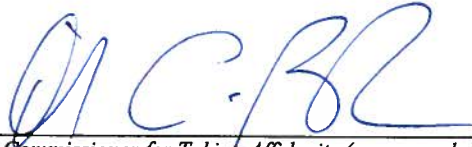
Michael E. Cass

E. & O. E.

Accounts due when rendered. Interest will be charged at a rate of 0.5% per annum on outstanding amounts until paid, in accordance with the Solicitor's Act.

VISA, MASTERCARD & AMERICAN EXPRESS ACCEPTED

This is Exhibit "C" referred to in the Affidavit of Michael Cass
sworn March 14, 2014



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

STEINBERG MORTON HOPE & ISRAEL LLP

BARRISTERS & SOLICITORS • TRADEMARK AGENTS

Ira Smith Trustee & Receiver Inc.

167 Applewood Crescent
Suite 6
Concord, Ontario L4K 4K7

IN ACCOUNT WITH:

INVOICE NUMBER **53369**
FILE NUMBER
SOLICITOR **1300898**
MC
H.S.T. #**121494009RT**

December 20, 2013

Re: Ira Smith Trustee & Receiver Inc. s/t Centurion Acquisition Corporation -- 3443 Bathurst Street, Toronto

TO PROFESSIONAL SERVICES RENDERED with respect to the above captioned, including but not limited to;

Dec 20/13	MC	<p>To receipt and review of correspondence re Centurion offer to purchase; to telephone discussion with I. Smith re process; to conference I. Smith, D. Brooker re terms of Agreement of Purchase and Sale; to telephone discussion I. Smith, D. Brooker, Centurion representative and R. Lysy re APA issues; to amendment of APA re conditions and off-title searches; to two telephone conference I. Smith, D. Brooker re draft amendments; to further amendment of APA; to receipt of approval to amendments and sign back; to telephone discussion R. Lysy; to receipt and review of final signed Agreement; to numerous discussions and correspondences B. Smith and I. Smith re off-title searches and inspections; to numerous follow up discussions and correspondences with R. Lysy re off-title searches and status; to providing opinion B. Smith re purchaser's rights under APA re off-title inspections; to further inquiries R. Lysy re status; and reporting to you; to receipt and review of requisition letter; to telephone discussion with I. Smith re requisitions and status; to meeting D. Brooker re dealing with title matters; to telephone discussion R. Lysy re requisitions raised; to response to requisition letter; to telephone discussion R. Lysy re Vesting Order content; to correspondence from R. Lysy re insurance coverage; to correspondence to B. Smith re existing coverage; to receipt and review of current insurance policy and forwarding same to R. Lysy; to follow up I. Smith re cancellation of insurance policy; to receipt of correspondence from R. Lysy advising that Centurion will place own insurance coverage and report to B. Smith; to drafting Bill of Sale re Deloraine assets; to reviewing same with I. Smith; to drafting schedule of included assets for Bill of Sale to reflect litigation; to discussion with I. Smith, R. Lysy re scheduled items; to correspondence and telephone discussion with R.</p>	\$0.00
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Lysy re Bill of Sale schedule; to reporting I. Smith; to correspondence and telephone discussion I. Smith re statement of adjustments; to telephone discussion with R. Lysy re statement of adjustments items; to follow up re municipal tax arrears and bailiff fees; to drafting statement of adjustments; to amending statement of adjustments to reflect adjusted City of Toronto realty tax bill; to drafting PPSA filing comfort acknowledgement for Equitable and Vector filings re GSA; to correspondence to solicitor for Vector and Equitable; to follow up correspondence; to telephone discussion with R. Melvin re amendment; to correspondence from D. Michaud re Equitable position; to amending acknowledgements and forwarding same; to further discussion and correspondence R. Melvin re concerns; to further amendment of comfort letters and forwarding same; to receipt and review of same final executed copies for delivery;

MC To correspondence to Laurentian Bank re outstanding PPSA filing; to follow up correspondence; to telephone discussion with Laurentian Bank re status; to receipt of review of response that filing in relationship to cash security for letters of credit to City of Toronto; to reporting to you; to follow up telephone discussions with Laurentian Bank; to drafting form of comfort acknowledgement; to correspondence to Laurentian Bank; to receipt of executed acknowledgement; and reporting to you and R. Lysy; to review of closing documentation required by Purchaser; to review of APA re documents required by you as Vendor; to drafting undertakings, guarantees and indemnities by Purchaser; to correspondence to discussion with you re outstanding building issues; to telephone discussion with R. Lysy; to amendment of documentation to reflect Agreement; to receipt of advice from Purchaser re outstanding water account; to receipt and review of correspondence; to reporting to you; to reporting to B. Smith; to receipt of instructions to holdback funds to pay final water bill; to drafting additional undertaking re water arrears; to raising attendance for execution of closing documentation; to attendance at your office and meeting with B. Smith; to review documentation and obtain execution (two hours); to receipt of draft transfer material and document registration agreement; to telephone discussion with R. Lysy re amendment and deletion of transfer; to reviewing form order authorizing sale; to reviewing and approving Vesting Order; to forwarding Vesting Order to R. Lysy; to telephone discussion R. Lysy and receipt of approval re Vesting Order form; to attending upon closing; to reporting to you; to discussions re holdback Ronen; to deposit of net closing funds; to discussion amendment of Vesting Order re terms of

\$12,000.00

holdback; to payment of outstanding realty taxes and water bill; to correspondence to R. Lysy re undertakings; to reporting to you; to reporting to R. Melvin, I. Marks re closing and status; to all other matters necessary to the completion of this transaction;
to all other matters incidental hereto.

<i>To our Fees</i>	\$12,000.00
<i>HST @ 13%</i>	<u>\$1,560.00</u>
<u>Taxable Disbursements</u>	
Conveyancing/Paralegal	\$50.00
Facsimile	\$35.00
Photocopies	\$154.75
<i>Total Taxable Disbursements</i>	\$239.75
<i>HST on Disbursements</i>	<u>\$31.17</u>
<u>Non - Taxable Disbursements</u>	
Bank charges for certification	\$15.00
<i>Total Non - Taxable Disbursements</i>	<u>\$15.00</u>
<i>Total Fees, Disbursements & HST</i>	\$13,845.92
<i>Transferred from Trust</i>	\$13,845.92
<i>Previous invoice(s) outstanding</i>	<u>\$0.00</u>
<i>Balance due and owing</i>	<u>\$0.00</u>

This is our account herein

Steinberg Morton Hope & Israel LLP



Michael E. Cass

E. & O. E.

Accounts due when rendered. Interest will be charged at a rate of 0.5% per annum on outstanding amounts until paid, in accordance with the Solicitor's Act.

VISA, MASTERCARD & AMERICAN EXPRESS ACCEPTED

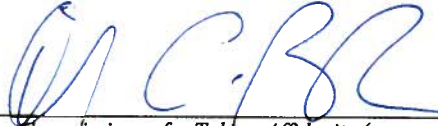
STATEMENT OF TRUST

Received From: Cassels Brock LLP	7,201,145.54
Received on Account/Retainer	
Paid To: AIR-F Inc.	15,000.00
Settlement Funds	
Paid To: ZEPPIERI & ASSOCIATES IN TRUST	32,537.50
Settlement Funds	
Paid To: Transfer: 1300898 To 1300421	159,291.60
xfr to receivership file to pay invoice	
Paid To: Ira Smith Trustee & Receiver Inc.	6,921,856.44
Proceeds of Sale	
Paid To: Transfer: 1300898 To 1301001	4,483.43
xfr to other file to pay invoice	
Paid To: TREASURER, CITY OF TORONTO	10,121.67
Realty Taxes/Taxes	
Paid To: A.O. SHINGLER & CO. LTD.	6,623.49
Realty Taxes/Taxes	
Paid To: Steinberg Morton Hope & Israel LLP	13,845.92
Payment for invoice: 53369	

Balance in Trust**\$37,385.49**

E. & O. E.

This is Exhibit "D" referred to in the Affidavit of Michael Cass
sworn March 14, 2014



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

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STEINBERG MORTON HOPE & ISRAEL LLP
BARRISTERS & SOLICITORS • TRADEMARK AGENTS

Ira Smith Trustee & Receiver Inc.

IN ACCOUNT WITH:

167 Applewood Crescent
Suite 6
Concord, Ontario L4K 4K7

INVOICE NUMBER **53929**
FILE NUMBER
SOLICITOR **1301033**

MC
H.S.T. # **121494009RT**

March 12, 2014

Re: Deloraine opinions re: Vector Security & Litigation Agreement Trez-Vector

TO PROFESSIONAL SERVICES RENDERED with respect to the above captioned, including but not limited to;

Mar 12/14	MC	To receipt of instructions from I. Smith; to two discussions and correspondence with I. Smith re scope of opinion; to correspondence; to telephone discussions with R. Melvin; to review of file re Vector documentation; to correspondence with R. Melvin re documents required; to follow up re delivery; to request and review of correspondence and security documentation; to follow up re additional material; to ordering PPSA searches; to review of PPSA filings; to drafting Opinion Letter; to discussion re draft Opinion Letter; to amending opinion and finalizing; to reporting to you.	\$2,450.00
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To our Fees	\$2,450.00
HST @ 13%	\$318.50


Taxable Disbursements

Total Taxable Disbursements	\$0.00
HST on Disbursements	\$0.00

Total Fees, Disbursements & HST	\$2,768.50
Transferred from Trust	\$0.00

Previous invoice(s) outstanding	\$0.00
Balance due and owing	<u>\$2,768.50</u>

This is our account herein
Steinberg Morton Hope & Israel LLP



Michael E. Cass
E. & O. E.

Accounts due when rendered. Interest will be charged at a rate of 0.5% per annum on outstanding amounts until paid, in accordance with the Solicitor's Act.

VISA, MASTERCARD & AMERICAN EXPRESS ACCEPTED
5255 Yonge Street, Suite 1100, Toronto, ON M2N 6P4 • T. (416) 225-2777 • F. (416) 225-7112

This is Exhibit "E" referred to in the Affidavit of Michael Cass
sworn March 14, 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 November 28, 2013 to March 12, 2014**

Name of Professional	Initial	Year of Call	Hourly Rate	Total Hours Billed	Total Fees Billed
David A. Brooker	DB	1994	\$475.00	138.30	\$65,692.50
Daria Krysik	DK	2013	\$225.00	11.40	\$2,565.00
Michael Cass	MC	1967	\$475.00	72.50	\$34,437.50
Karen Sampson	KS	Law Clerk	\$125.00	.50	\$62.50
Total Fees					\$102,757.50
Total Disbursements					\$2,483.76
Total Fees and Disbursements excluding HST					\$105,241.26
HST					\$28,310.00
Total Fees and Disbursements including HST					\$133,551.26
Block fee for opinion as to Security					\$3,000.00
Total Disbursements					\$967.64
Total Fees and Disbursements excluding HST					\$3,967.64
HST					\$515.79
Total Fees and Disbursements including HST					\$4,483.43
Block fee re sale of property					\$12,000.00
Total Disbursements					\$254.75
Total Fees and Disbursements excluding HST					\$12,254.75
HST					\$1,591.17

Total Fees and Disbursements including HST	\$13,845.92
Block fee re opinions (Litigation Agreement)	\$2,450.00
Total Disbursements	\$0.00
Total Fees and Disbursements excluding HST	\$2,450.00
HST	\$318.50
Total Fees and Disbursements including HST	\$2,768.50
Grand Total Fees, Disbursements and Taxes Claimed	\$154,649.11

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF MICHAEL CASS
SWORN MARCH 14, 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

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

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