

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

**VECTOR FINANCIAL SERVICES LIMITED**

Applicant

- and -

**VAUGHAN CROSSINGS INC.**

Respondent

- AND -

B E T W E E N:

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

Applicant

- and -

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION, 2223947 ONTARIO LIMITED, MC TRUSTEE (KITCHENER) LTD., SCOLLARD TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION, 7743718 CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

Respondents

APPLICATION UNDER Section 37 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, S.O. 2006, c.29 and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43.

**MOTION RECORD**

**Motion Returnable April 10, 2017**

April 3, 2017

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**COURT FILE NO. CV-17-11670-00CL**

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Court File No. CV-17-11670-00CL  
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**ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 COMMERCIAL LIST**

B E T W E E N:

*(Court Seal)*

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Respondent

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Respondents

**APPLICATION UNDER SECTION 37 OF THE  
 MORTGAGE BROKERAGES, LENDERS AND ADMINISTRATORS ACT, 2006, S.O. 2006,  
 c. 29 and SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990 c. C.43**

**NOTICE OF MOTION**

Ira Smith Trustee & Receiver Inc., in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all of the assets and undertakings of the Lands (as described in the Order appointing the Receiver of the Honourable Justice Conway dated February 14, 2017 (the “**Vaughan Crossings Receivership Order**”)) and of all plans, permits, agreements, improvements and other personal property owned by Vaughan Crossings Inc. (the “**Debtor**”) and relating to the Lands or the development and sale thereof (together with the Lands, the “**Property**”), will make a Motion to a Judge presiding over the Commercial List on Monday, April 10, 2017 at 10:00 a.m., or as soon after that time as the Motion can be heard at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

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

- in writing under subrule 37.12.1(1) because it is;
- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

**THE MOTION IS FOR** two orders substantially in the form of the drafts attached hereto as Schedules “A” and “B” hereto:

- (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, fees and disbursements, and fee accrual, including those of its counsel, as described in the Volume 1 and confidential Volume 2 of the First Report of the Receiver dated April 3, 2017 (the “**Receiver’s First Report**”);
- (c) Approval of the Fifth Report of Grant Thornton Limited (“**GTL**”), in its capacity as the Court-appointed trustee (in such capacity, the “**Trustee**”), without security, of all of the named Respondents in Court File No. CV-16-11567-00CL (the “**Tier 1 Trustee Corporations**”), dated January 23, 2017 and the Supplement to the Fifth Report of the Trustee dated April 3, 2017 (collectively, the “**Trustee’s Reports**”) and the actions of the Trustee described therein;

- (d) Sealing of confidential Volume 2 of the Receiver's First Report and of all Confidential Appendices of the Trustee's Reports;
- (e) Approval of the sale transaction (the "**Transaction**") contemplated by an accepted Agreement of Purchase and Sale amongst the Receiver, Scollard Trustee Corporation ("**STC**") and STC in trust for a corporation to be formed ("**STC In Trust**") dated March 23, 2017 and amended by an Agreement Amending Agreement of Purchase and Sale dated March 31, 2017 (collectively the "**Sale Agreement**"), and vesting in 2569880 Ontario Limited (the "**Purchaser**") the Debtor's right, title and interest in and to the Lands;
- (f) Approval of such additional documents as may be necessary or desirable for the completion of the Transaction (the "**Additional Documents**"), including, without limitation:
  - (i) the quit claims, releases and acknowledgments executed by each of Vector Financial Services Limited ("**Vector**"), TriAxis Construction Limited ("**TCL**"), Sora Construction Ltd. ("**Sora**"), Kohn Partnership Architects Inc. ("**Kohn**"), 2388208 Ontario Incorporated ("**238**"), Breakwall Financial Corp. ("**Breakwall**"), Chaitons LLP ("**Chaitons**") and Tier 1 Transaction Advisory Services Inc. ("**Tier 1**");
  - (ii) the release of claims by STC;
  - (iii) a commitment letter amongst STC, Downing Street Financial Inc., in Trust (the "**Lender**") and Downing Street Financial Inc. (together with the Lender, "**Downing Street**");
  - (iv) an assignment of purchase agreement between STC In Trust and Downing Street;

- (v) a development management agreement amongst STC In Trust, 2514778 Ontario Inc., TriAxis Development Corporation, Breakwall and Vector (collectively, the “**Development Management Agreement**”); and
- (vi) a unanimous shareholder agreement (the “**Unanimous Shareholders Agreement**”);
- (g) Ordering and declaring that the Investors in the Vaughan Crossings SMI (as both terms are defined in the Trustee’s Reports) shall, upon closing of the Transaction, be bound by the Unanimous Shareholders Agreement;
- (h) Ordering and declaring the release and discharge by Olympia Trust Company (“**OTC**”) and certain related parties of any claims and potential claims that they may have in respect to the Property as against Vector;
- (i) Authorizing the Receiver to make distributions from the proceeds of the Transaction as set out in the Sale Agreement;
- (j) That the Receiver be discharged upon completion of the Transaction and the Receiver filing certification that all matters to be attended to in connection with the receivership of the Property have been completed to the satisfaction of the Receiver;
- (k) That upon closing of the Transaction, the Trustee has no further interests, duties or obligations in respect of the Purchaser;
- (l) Releasing the Receiver and the Trustee from liability with respect to the Transaction;
- (m) The costs of this motion payable from the estate of the Debtor, as set out in the Sale Agreement; and
- (n) Such further and other Relief as to this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

- (a) By way of the order of the Honourable Justice Newbould dated October 27, 2016, the Trustee was appointed Trustee, without security, of all assets, undertakings and properties of the Tier 1 Trustee Corporations (including STC), pursuant to section 37 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, S.O. 2006, c. 29, as amended (the “**Trustee Appointment Order**”);
- (b) The assets, undertakings and properties of STC include, amongst other things, a mortgage over the Lands (the “**STC Mortgage**”) for the benefit of a group of underlying investors (the “**Investors**”), some of which Investors hold their interests in RRSPs administered by OTC, and the Trustee Appointment Order empowers and authorizes the Trustee to act in respect of the STC Mortgage;
- (c) By way of the order of the Honourable Justice Hainey dated January 24, 2017, Chaitons LLP was appointed as counsel (in such capacity, “**Representative Counsel**”), subject to certain opt-out provisions, for the underlying Investors in the Tier 1 Trustee Corporations (including STC), and Representative Counsel was empowered and authorized to accept instructions from the Investors Committee (as defined in such order), which instructions shall be binding on all Investors who do not opt-out of representation by Representative Counsel;
- (d) By way of the Vaughan Crossings Receivership Order dated February 14, 2017, the Receiver was appointed as Receiver of the Property;
- (e) The Vaughan Crossings Receivership Order authorizes and directs the Receiver to market the Property including negotiation of such terms and conditions of sale as the Receiver in its discretion deems appropriate;
- (f) Vector holds a mortgage over the Lands that is registered on title in priority to the STC Mortgage (the “**Vector Mortgage**”), and Sora, TriAxis, Kohn and 238 have registered construction liens on the Lands;



- (g) At a general level, the Transaction allows for the discharge of the Vector Mortgage, the STC Mortgage and all other claims against the Lands (other than a new mortgage to be registered in favour of the lender, Downing Street), with the Investors: (i) receiving, via the Unanimous Shareholders Agreement, one share in the Purchaser for every dollar they invested in the STC Mortgage; and (ii) retaining, via STC, an unsecured claim against the Debtor;
- (h) The sole director and officer of the Purchaser is Mr. Dennis Jewitt, who is also the principal of Breakwall;
- (i) The Purchaser, pursuant to the terms of the Development Management Agreement, has: (i) arranged for efforts to be made to advance the development of the Lands; and (ii) agreed to list the Lands for sale within 12 months from the closing of the Transaction, the proceeds of which sale are to be distributed pursuant to the terms of the Development Management Agreement;
- (j) For reasons set forth in more detail in the First Receiver's Report and the Trustee's Reports, both the Receiver and the Trustee recommend that the Transaction proceed and the Sale Agreement be approved by this Honourable Court, and that it appears to represent the best recovery possible in the circumstances;
- (k) Representative Counsel has advised that the Investors Committee is not taking a position with respect to the Transaction;
- (l) The Receiver's activities, statement of receipts and disbursements and its fees and disbursements including the fees and disbursements of its legal counsel, Steinberg Title Hope & Israel LLP (and including its fee accrual), as set forth in the First Receiver's Report are reasonable and ought to be approved.
- (m) Such further and other grounds as the lawyers may advise.

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

- (a) Volume 1 and confidential Volume 2 of the Receiver's First Report;
- (b) The Trustee's Reports;
- (c) The Affidavits of Michael Cass and Ira Smith, each sworn April 3, 2017; and
- (d) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

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## SCHEDULE A

Court File No. CV-17-11670-00CL

Court File No. CV-16-11567-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

|                |   |                    |
|----------------|---|--------------------|
| THE HONOURABLE | ) | MONDAY, THE 10TH   |
|                | ) |                    |
| JUSTICE        | ) | DAY OF APRIL, 2017 |

B E T W E E N :

**VECTOR FINANCIAL SERVICES LIMITED**

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- and -

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Respondent

- AND -

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Applicant

- and -

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION, 2223947 ONTARIO LIMITED, MC TRUSTEE (KITCHENER) LTD., SCOLLARD TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION, 7743718 CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

Respondents

**APPLICATION UNDER SECTION 37 OF THE  
MORTGAGE BROKERAGES, LENDERS AND ADMINISTRATORS ACT, 2006, S.O. 2006,  
c. 29 and SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990 c. C.43**

**ANCILLARY AND DISCHARGE ORDER**



**THIS MOTION**, made by Ira Smith Trustee & Receiver Inc. (“**ISTR**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all of the assets and undertakings of the Lands (as described in the Order appointing the Receiver of the Honourable Justice Conway dated February 14, 2017) and of all plans, permits, agreements, improvements and other personal property owned and leased by Vaughan Crossings Inc. (the “**Debtor**”) and relating to the Lands or the development and sale thereof (together with the Lands, the “**Property**”), for an order, *inter alia*:

- i. approving the First Report of the Receiver dated April 3, 2017 (the “**Receiver’s First Report**”) and the actions of the Receiver described therein;
- ii. approving the Fifth Report of Grant Thornton Limited (“**GTL**”), in its capacity as the Court-appointed trustee (in such capacity, the “**Trustee**”), without security, of all of the named Respondents in Court File No. CV-16-11567-00CL (the “**Tier 1 Trustee Corporations**”), dated January 23, 2017 and the Supplement to the Fifth Report of the Trustee dated April <\*>, 2017 (collectively, the “**Trustee’s Reports**”) and the actions of the Trustee described therein;
- iii. approving the fees and disbursements of the Receiver and its counsel, including an accrual for fees and disbursements to be incurred to the discharge of the Receiver;
- iv. authorizing and directing the Receiver to distribute the funds received from the closing of the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale amongst the Receiver, Scollard Trustee Corporation (“**STC**”) and STC in trust for a corporation to be formed dated March 22, 2017 (as

- amended, the “**Sale Agreement**”), a copy of which is attached as Exhibit “<\*>” to the Receiver’s First Report, in accordance with the provisions of the Sale Agreement and on account of the obligations identified therein;
- v. sealing the Confidential Volume 2 of the Receiver’s First Report (as defined in the Receiver’s First Report) until completion of the Transaction or further Order of this Court;
  - vi. discharging ISTR as the Receiver of the Property effective upon the filing of a certificate by the Receiver certifying that all matters to be attended to in connection with the receivership of the Property have been completed to the satisfaction of the Receiver, in substantially the form attached hereto as Schedule “A” (the “**Discharge Certificate**”);
  - vii. upon closing of the Transaction, declaring that the Trustee has no further interests, duties or obligations in respect of 2569880 Ontario Limited (the “**Purchaser**”);  
and
  - viii. releasing ISTR and GTL from liability, as more particularly set out in paragraph 10 of this Order, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Receiver’s First Report and the exhibits thereto, including, without limitation, the affidavit of Ira Smith sworn April 3, 2017 (the “**Receiver’s Fee Affidavit**”) and the affidavit of Michael Cass sworn April 3, 2017 (the “**Receiver’s Counsel’s Fee Affidavit**”), on reading the Trustee’s Report and the appendices thereto and on hearing the submissions of counsel for the Receiver, counsel for the Trustee and such other counsel as were present, no one

appearing for any other person on the service list, although properly served as appears from the affidavits of <\*> and <\*> sworn, respectively, <\*>, 2017 and <\*>, 2017, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion, the motion record, the Receiver's First Report and the Trustee's Reports be and are hereby abridged and validated so that this motion is properly returnable today and is hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Receiver's First Report and the activities of the Receiver described therein be and are hereby approved.
3. **THIS COURT ORDERS** that the Trustee's Reports and the activities of the Trustee described therein be and are hereby approved.
4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, as described in the Receiver's First Report and as set out in the Receiver's Fee Affidavit and the Receiver's Counsel's Fee Affidavit, be and are hereby approved.
5. **THIS COURT ORDERS** that the Fee Accrual (as defined in the Receiver's First Report) be and is hereby approved.
6. **THIS COURT ORDERS** that, upon the closing of the Transaction, the Receiver be and is hereby authorized and directed, without further Order of this Court, to distribute the proceeds of the Transaction in accordance with the provisions of the Sale Agreement and on account of the obligations identified therein.

7. **THIS COURT ORDERS** that the Confidential Appendices be and are hereby sealed until the completion of the Transaction or further Order of this Court.

8. **THIS COURT ORDERS** that, upon the Receiver filing the Discharge Certificate, the Receiver shall be discharged as Receiver of the Property, provided however that notwithstanding its discharge herein: (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in the proceeding bearing Court File No. CV-17-11670-00CL, including all approvals, protections and stays of proceedings in favour of ISTR, in its capacity as the Receiver.

9. **THIS COURT ORDERS** that, upon the closing of the Transaction, the Trustee shall have no further interests, duties or obligations in respect of the Purchaser.

10. **THIS COURT ORDERS AND DECLARES** that, upon the closing of the Transaction, both ISTR and GTL are hereby released and discharged from any and all liability, whether joint or several, that they now have or may hereafter have in connection with the Property or the Transaction, by reason of, or in any way arising out of, the acts or omissions of ISTR or GTL, as applicable, while acting in their capacities as Receiver and Trustee, respectively, save and except for, in the Receiver's case, any gross negligence or wilful misconduct on the Receiver's part, and, in the Trustee's case, any gross negligence or wilful misconduct on the Trustee's part. Without limiting the generality of the foregoing, both ISTR and GTL are hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in connection with the Property or the Transaction, save and except for, in the

Receiver's case, any gross negligence or wilful misconduct on the Receiver's part, and, in the Trustee's case, any gross negligence or wilful misconduct on the Trustee's part.

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, the Trustee and their respective 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 and the Trustee, as officers of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver, the Trustee and their respective agents in carrying out the terms of this Order.

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**SCHEDULE “A”**

Court File No. CV-17-11670-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N :

**VECTOR FINANCIAL SERVICES LIMITED**

Applicant

- and -

**VAUGHAN CROSSINGS INC.**

Respondent

**RECEIVER’S DISCHARGE CERTIFICATE****RECITALS**

- I. Pursuant to an Order of the Honourable Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated February 14, 2017 (the “**Vaughan Crossings Receivership Order**”), Ira Smith Trustee & Receiver Inc. (“**ISTR**”) was appointed as receiver (in such capacity, the “**Receiver**”), without security, of all of the assets and undertakings of the Lands (as described in the Vaughan Crossings Receivership Order) and of all plans, permits, agreements, improvements and other personal property owned and leased by Vaughan Crossings Inc. (the “**Debtor**”) and relating to the Lands or the development and sale thereof (together with the Lands, the “**Property**”).

II. Pursuant to an Order of the Court dated April 10, 2017 (the “**Ancillary and Discharge Order**”), ISTR was discharged as the Receiver of all of the Property to be effective upon the filing by the Receiver with the Court of a certificate confirming that all matters to be attended to in connection with the receivership of the Property have been completed to the satisfaction of the Receiver, provided, however, that notwithstanding its discharge: (a) the Receiver will remain the Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership; and (b) the Receiver will continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of ISTR, in its capacity as the Receiver.

III. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Ancillary and Discharge Order.

**THE RECEIVER CERTIFIES** the following:

1. all matters to be attended to in connection with the receivership of the Property have been completed to the satisfaction of the Receiver; and
2. this Certificate was filed by the Receiver with the Court on the \_\_\_\_ day of \_\_\_\_\_, 2017.

**IRA SMITH TRUSTEE & RECEIVER INC.**,  
solely in its capacity as the Receiver, and not in its  
personal capacity or in any other capacity

Per: \_\_\_\_\_

Name:

Title:

**VECTOR FINANCIAL SERVICES LIMITED**

-and-

**VAUGHAN CROSSINGS INC.**

Applicant

Respondent

Court File No. CV-17-11670-00CL

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

-and-

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET)  
TRUSTEE CORPORATION, et al.**

Applicant

Respondents

Court File No. CV-16-11567-00CL

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceedings commenced at Toronto**

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**ANCILLARY AND DISCHARGE ORDER**

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**STEINBERG TITLE HOPE & ISRAEL LLP**

Barristers and Solicitors  
5255 Yonge Street, Suite 1100  
Toronto, ON M2N 6P4

**David A. Brooker (LSUC # 35787W)**

Tel: (416) 225-2777

Fax: (416) 225-7112

Email: [dbroker@sthilaw.com](mailto:dbroker@sthilaw.com)

*Lawyers for the Receiver*



28891959.2

## SCHEDULE B

Court File No. CV-17-11670-00CL

Court File No. CV-16-11567-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) MONDAY, THE 10TH  
JUSTICE ) DAY OF APRIL, 2017

B E T W E E N :

**VECTOR FINANCIAL SERVICES LIMITED**

Applicant

- and -

**VAUGHAN CROSSINGS INC.**

Respondent

- AND -

B E T W E E N :

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

Applicant

- and -

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION, 2223947 ONTARIO LIMITED, MC TRUSTEE (KITCHENER) LTD., SCOLLARD TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION, 7743718 CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

Respondents

**APPLICATION UNDER SECTION 37 OF THE  
MORTGAGE BROKERAGES, LENDERS AND ADMINISTRATORS ACT, 2006, S.O. 2006,  
c. 29 and SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990 c. C.43**

## APPROVAL AND VESTING ORDER

**THIS MOTION**, made by Ira Smith Trustee & Receiver Inc., in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all of the assets and undertakings of the Lands (as described in the Order appointing the Receiver of the Honourable Justice Conway dated February 14, 2017 (the “**Vaughan Crossings Receivership Order**”)) and of all plans, permits, agreements, improvements and other personal property owned by Vaughan Crossings Inc. (the “**Debtor**”) and relating to the Lands or the development and sale thereof (together with the Lands, the “**Property**”), for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale, as amended, amongst the Receiver, Scollard Trustee Corporation (“**STC**”) and STC in trust for a corporation to be formed (“**STC In Trust**”) dated March 22, 2017 (the “**Sale Agreement**”), a copy of which is attached as Exhibit “<\*>” to the Report of the Receiver dated April 3, 2017 (the “**Receiver’s First Report**”), and vesting in 2569880 Ontario Limited (the “**Purchaser**”) the Debtor's right, title and interest in and to the property described as the “**Real Property**” in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Receiver’s First Report and appendices thereto, and on reading the Fifth Report of Grant Thornton Limited (“**GTL**”), in its capacity as the Court-appointed trustee (in such capacity, the “**Trustee**”), without security, of all of the named Respondents in Court File No. CV-16-11567-00CL (the “**Tier 1 Trustee Corporations**”), dated January 23, 2017 and the Supplement to the Fifth Report of the Trustee dated April <\*>, 2017 (collectively, the

“Trustee’s Reports”), and on hearing the submissions of counsel for the Receiver, counsel for the Trustee and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavits of <\*> and <\*> sworn, respectively, <\*>, 2017 and <\*>, 2017, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement and the Additional Documents (as defined herein) is hereby authorized and approved, with such minor amendments as the Receiver and the Trustee may deem necessary. The Receiver and the Trustee, as applicable, are hereby authorized and directed to take such additional steps and execute or arrange for the execution of such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser (collectively, the “**Additional Documents**”). Without limiting the generality of the foregoing, the following Additional Documents be and are hereby approved:

- (a) the quit claims, releases and acknowledgments executed by each of Vector Financial Services Limited (“**Vector**”), TriAxis Construction Limited (“**TCL**”), Sora Construction Ltd. (“**Sora**”), Kohn Partnership Architects Inc. (“**Kohn**”), 2388208 Ontario Incorporated (“**238**”), Breakwall Financial Corp. (“**Breakwall**”), Chaitons LLP (“**Chaitons**”) and Tier 1 Transaction Advisory Services Inc. (“**Tier 1**”), as appended to the Receiver’s First Report and with such minor amendments as the Receiver and the Trustee may deem necessary (collectively, the “**Quit Claims**”);

- (b) the release of claims by STC, as appended to the Receiver's First Report and with such minor amendments as the Receiver and the Trustee may deem necessary;
- (c) the commitment letter amongst STC, Downing Street Financial Inc., in Trust (the "**Lender**") and Downing Street Financial Inc. (together with the Lender, "**Downing Street**"), as appended to the Receiver's First Report and with such minor amendments as the Receiver and the Trustee may deem necessary;
- (d) the assignment of purchase agreement between STC In Trust and Downing Street, as appended to the Receiver's First Report and with such minor amendments as the Receiver and the Trustee may deem necessary;
- (e) the development management agreement amongst STC In Trust, 2514778 Ontario Inc., TriAxis Development Corporation, Breakwall and Vector, as appended to the Receiver's First Report and with such minor amendments as the Receiver and the Trustee may deem necessary; and
- (f) the unanimous shareholder agreement, as appended to the Trustee's Report and with such minor amendments as the Trustee may deem necessary (the "**Unanimous Shareholder Agreement**").

2. **THIS COURT ORDERS AND DECLARES** that any and all references in the Quit Claims to the date of April 18, 2017 be and are hereby replaced with the date that is the later of:  
(i) April 19, 2017; and (ii) the date that is two weeks following the date of this Order.

3. **THIS COURT ORDERS AND DECLARES** that the Investors in the Vaughan Crossings SMI (as both terms are defined in the Trustee's Reports) shall, upon closing of the Transaction, be bound by the Unanimous Shareholders Agreement.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Newbould dated October 27, 2016 appointing Grant Thornton Limited as the Trustee of STC and other entities; (ii) any encumbrances or charges created by the Vaughan Crossings Receivership Order; (iii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iv) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets

5. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in **Schedule “B”** hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule “C”** hereto

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, and subject to the Quit Claims and paragraph 7 of this Order, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DECLARES** that, provided the Transaction closes:

- (a) Sora, upon its receipt of the sum of \$1,646,633 from the Purchase Price, shall consent to the dismissal, without costs, of the action commenced by it in the Ontario Superior Court of Justice bearing court file number CV-16-125767-00 as against all defendants therein except for the Debtor;
- (b) TCL, upon its receipt of the sum of \$182,655 from the Purchase Price, shall consent to the dismissal, without costs, of the action commenced by it in the

Ontario Superior Court of Justice bearing court file number CV-16-125848-00 as against all defendants therein except for the Debtor;

- (c) Kohn, upon its receipt of the sum of \$170,712 from the Purchase Price, shall consent to the dismissal, without costs, of the action commenced by it in the Ontario Superior Court of Justice bearing court file number CV-16-126181-00 as against all defendants therein except for the Debtor; and
- (d) 238, upon its receipt of the sum of \$50,000.00 from the Purchase Price, shall consent to the dismissal, without costs, of the action commenced by it in the Ontario Superior Court of Justice bearing court file number CV-16-126023-00 as against all defendants therein except for the Debtor.

8. **THIS COURT ORDERS** that any and all past, present and future claims and potential claims of Olympia Trust Company ("**OTC**") and its directors, officers, shareholders, investors, successors and assigns, and all such claims of the investors or beneficial owners and their successors and assigns for whom OTC acts as nominee or trustee, and which relate to the Real Property and/or the indebtedness owed to Vector under the instruments in favour of Vector registered on title to the Real Property immediately prior to the effectiveness of this Order, be and are hereby fully and forever released and discharged as against Vector.

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



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

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

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

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

12. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

13. **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.

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**Schedule “A” – Form of Receiver’s Certificate**

Court File No. CV-17-11670-00CL  
Court File No. CV-16-11567-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N :**

**VECTOR FINANCIAL SERVICES LIMITED**

Applicant

- and -

**VAUGHAN CROSSINGS INC.**

Respondent

- AND -

**B E T W E E N :**

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

Applicant

- and -

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION, 2223947 ONTARIO LIMITED, MC TRUSTEE (KITCHENER) LTD., SCOLLARD TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION, 7743718 CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

Respondents

**APPLICATION UNDER SECTION 37 OF THE  
MORTGAGE BROKERAGES, LENDERS AND ADMINISTRATORS ACT, 2006, S.O. 2006,  
c. 29 and SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990 c. C.43**

**RECEIVER’S CERTIFICATE**

## RECITALS

- I. Pursuant to an Order of the Honourable Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated February 14, 2017 (the "**Vaughan Crossings Receivership Order**"), Ira Smith Trustee & Receiver Inc. ("**ISTR**") was appointed as receiver (in such capacity, the "**Receiver**"), without security, of all of the assets and undertakings of the Lands (as described in the Vaughan Crossings Receivership Order) and of all plans, permits, agreements, improvements and other personal property owned by Vaughan Crossings Inc. (the "**Debtor**") and relating to the Lands or the development and sale thereof (together with the Lands, the "**Property**").
  
- II. Pursuant to an Order of the Court dated April 10, 2017 (the "**AVO**"), the Court approved the agreement of purchase and sale, as amended, between the Receiver, Scollard Trustee Corporation ("**STC**") and STC in trust for a corporation to be formed dated March 22, 2017 (the "**Sale Agreement**"), and provided for the vesting in 2569880 Ontario Limited (the "**Purchaser**") of all the Debtor's right, title and interest in and to the Purchased Assets (as defined in the AVO), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction has been completed to the satisfaction of the Receiver.
  
- III. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**IRA SMITH TRUSTEE & RECEIVER INC.,**  
solely in its capacity as the Receiver, and not in its  
personal capacity or in any other capacity

Per: \_\_\_\_\_

Name:

Title:

**SCHEDULE "B"**  
**LEGAL DESCRIPTION OF THE REAL PROPERTY**

Firstly

PT LT 24 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PTS 10 & 11  
64R7307 EXCEPT PT 1 EXPROP PL R650078; S/T VA84766 ASSIGNED BY  
R312155; VAUGHAN

PIN 03274-0103 (LT)

Secondly

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1,  
65R14039; VAUGHAN

PIN 03274-0104 (LT)

**SCHEDULE “C”**  
**INSTRUMENTS TO BE DELETED FROM TITLE TO PROPERTY**

1. Firstly: PIN 03274–0103 (LT)
  - (a) Instrument No. YR1048381 being a Transfer registered September 4, 2007 in favour of Vaughan Crossings Inc.
  - (b) Instrument No. YR2048941 being a Charge registered October 18, 2013 in favour of Scollard Trustee Corporation.
  - (c) Instrument No. YR2048949 being a Notice of Assignment of Rents - General registered October 18, 2013 in favour of Scollard Trustee Corporation.
  - (d) Instrument No. YR2049132 being a Transfer of Charge registered October 18, 2013 in favour of Olympia Trust Company and Scollard Trustee Corporation.
  - (e) Instrument No. YR2060284 being a Transfer of Charge registered November 14, 2013 in favour of Olympia Trust Company and Scollard Trustee Corporation.
  - (f) Instrument No. YR2078550 being a Transfer of Charge registered December 24, 2013 in favour of Olympia Trust Company and Scollard Trustee Corporation.
  - (g) Instrument No. YR2092552 being a Charge registered February 6, 2014 in favour of Vector Financial Services Limited.
  - (h) Instrument No. YR2092553 being a Notice of Assignment of Rents - General registered February 6, 2014 in favour of Vector Financial Services Limited.
  - (i) Instrument No. YR2092569 being a Postponement registered February 6, 2014.
  - (j) Instrument No. YR2415393 being a Construction Lien registered January 13, 2016 in favour of Sora Construction Ltd.
  - (k) Instrument No. YR2422509 being a Construction Lien registered January 28, 2016 in favour of Triaxis Construction Limited.
  - (l) Instrument No. YR2423085 being a Construction Lien registered January 28, 2016 in favour of in favour of Kohn Partnership Architects Inc.
  - (m) Instrument No. YR2427861 being a Construction Lien registered February 8, 2016 in favour of in favour of 2388208 Ontario Incorporated.
  - (n) Instrument No. YR2436540 being a Certificate registered February 29, 2016 in favour of Sora Construction Ltd.

- (o) Instrument No. YR2439974 being a Certificate registered March 7, 2016 in favour of Triaxis Construction Limited.
  - (p) Instrument No. YR2445729 being a Certificate registered March 18, 2016 in favour of 2388208 Ontario Incorporated.
  - (q) Instrument No. YR2452308 being a Certificate registered April 1, 2016 in favour of Kohn Partnership Architects Inc.
  - (r) Instrument No. YR2572906 being an Application to Register Court Order registered on November 3, 2016 in favour of Grant Thornton Limited.
2. Secondly: PIN 03274-0104 (LT)
- (a) Instrument No. YR972923 being a Transfer registered April 17, 2007 in favour of Vaughan Crossings Inc.
  - (b) Instrument No. YR2048941 being a Charge registered October 18, 2013 in favour of Scollard Trustee Corporation.
  - (c) Instrument No. YR2048949 being a Notice of Assignment of Rents - General registered October 18, 2013 in favour of Scollard Trustee Corporation.
  - (d) Instrument No. YR2049132 being a Transfer of Charge registered October 18, 2013 in favour of Olympia Trust Company and Scollard Trustee Corporation.
  - (e) Instrument No. YR2060284 being a Transfer of Charge registered November 14, 2013 in favour of Olympia Trust Company and Scollard Trustee Corporation.
  - (f) Instrument No. YR2078550 being a Transfer of Charge registered December 24, 2013 in favour of Olympia Trust Company and Scollard Trustee Corporation.
  - (g) Instrument No. YR2092552 being a Charge registered February 6, 2014 in favour of Vector Financial Services Limited.
  - (h) Instrument No. YR2092553 being a Notice of Assignment of Rents - General registered February 6, 2014 in favour of Vector Financial Services Limited.
  - (i) Instrument No. YR2092569 being a Postponement registered February 6, 2014.
  - (j) Instrument No. YR2415393 being a Construction Lien registered January 13, 2016 in favour of Sora Construction Ltd.
  - (k) Instrument No. YR2422509 being a Construction Lien registered January 28, 2016 in favour of Triaxis Construction Limited.



- (l) Instrument No. YR2423085 being a Construction Lien registered January 28, 2016 in favour of in favour of Kohn Partnership Architects Inc.
- (m) Instrument No. YR2427861 being a Construction Lien registered February 8, 2016 in favour of in favour of 2388208 Ontario Incorporated.
- (n) Instrument No. YR2436540 being a Certificate registered February 29, 2016 in favour of Sora Construction Ltd.
- (o) Instrument No. YR2439974 being a Certificate registered March 7, 2016 in favour of Triaxis Construction Limited.
- (p) Instrument No. YR2445729 being a Certificate registered March 18, 2016 in favour of 2388208 Ontario Incorporated.
- (q) Instrument No. YR2452308 being a Certificate registered April 1, 2016 in favour of Kohn Partnership Architects Inc.
- (r) Instrument No. YR2572906 being an Application to Register Court Order registered on November 3, 2016 in favour of Grant Thornton Limited.

**SCHEDULE “D”**  
**PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS**

1. Firstly: PIN 03274–0103 (LT)
  - (a) Instrument No. 64R7307 being a Plan of Reference registered December 1, 1978.
  - (b) Instrument No. VA84766 being a Transfer Easement registered March 13, 1980 in favour of Ministry of Government Services.
  - (c) Instrument No. R312155 being an Assignment General registered March 23, 1983.
  - (d) Instrument No. 65R11525 being a being a Plan of Reference registered February 3, 1988.
  
2. Secondly: PIN 03274–0104 (LT)
  - (a) Instrument No. 64R7307 being a Plan of Reference registered December 1, 1978.
  - (b) Instrument No. 65R11525 being a being a Plan of Reference registered February 3, 1988.
  - (c) Instrument No. 65R14039 being a being a Plan of Reference registered February 2, 1990.

**VECTOR FINANCIAL SERVICES LIMITED**

Applicant

-and-

**VAUGHAN CROSSINGS INC.**

Respondent

Court File No. CV-17-11670-00CL

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

Applicant

-and-

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET)  
TRUSTEE CORPORATION, et al.**

Respondents

Court File No. CV-16-11567-00CL

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceedings commenced at Toronto**

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**APPROVAL AND VESTING ORDER**

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**STEINBERG TITLE HOPE & ISRAEL LLP**

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**VECTOR FINANCIAL SERVICES LIMITED**  
Applicant

-and-

**VAUGHAN CROSSINGS INC.**  
Respondent

Court File No. CV-17-11670-00CL

**THE SUPERINTENDENT OF FINANCIAL SERVICES**  
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TRUSTEE CORPORATION ET AL**  
Respondents

Court File No. CV-16-11567-00CL

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

**PROCEEDING COMMENCED AT**  
**TORONTO**

**NOTICE OF MOTION**

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

Court File No. CV-17-11670-00CL  
 Court File No. CV-16-11567-00CL

**ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 COMMERCIAL LIST**

B E T W E E N:

**VECTOR FINANCIAL SERVICES LIMITED**

Applicant

- and -

**VAUGHAN CROSSINGS INC.**

Respondent

- AND -

B E T W E E N:

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

Applicant

- and -

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION, 2223947 ONTARIO LIMITED, MC TRUSTEE (KITCHENER) LTD., SCOLLARD TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION, 7743718 CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

Respondents

APPLICATION UNDER Section 37 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, S.O. 2006, c.29 and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43.

**FIRST REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.  
 COURT-APPOINTED RECEIVER OF VAUGHAN CROSSINGS INC.  
 DATED APRIL 3, 2017 - VOLUME 1**

**FIRST REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.  
COURT-APPOINTED RECEIVER OF VAUGHAN CROSSINGS INC.**

**DATED APRIL 3, 2017**

**VOLUME 1**

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**FIRST REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.  
COURT-APPOINTED RECEIVER OF VAUGHAN CROSSINGS INC.**

**DATED APRIL 3, 2017**

**VOLUME 1**

**Exhibits**

|             |   |
|-------------|---|
| Exhibit "A" | Joint Retainer Agreement fully signed on September 19, 2016                                   |
| Exhibit "B" | GTL Appointment Order dated October 27, 2016  |
| Exhibit "C" | Representative Counsel Order dated January 24, 2017   |
| Exhibit "D" | Receivership Appointment Order dated February 14, 2017  |
| Exhibit "E" | Agreement of Purchase and Sale dated March 23, 2017   |
| Exhibit "F" | Receiver's proposed distribution schedule   |
| Exhibit "G" | Email from Mr. D. Steeves dated March 24, 2017  |
| Exhibit "H" | Email from Mr. D. Brooker dated March 29, 2017  |
| Exhibit "I" | Agreement of Purchase and Sale Amending Agreement dated March 31, 2017                        |
| Exhibit "J" | Vector Financial Services Limited payout statement dated April 3, 2017                        |
| Exhibit "K" | Executed quit claims  |
| Exhibit "L" | Receiver's Fee Affidavit of Ira Smith sworn April 3, 2017                                     |
| Exhibit "M" | STHI's Fee Affidavit of Michael Cass sworn April 3, 2017                                      |
| Exhibit "N" | Email dated April 3, 2007 from Mr. M. Cass of STHI providing his preliminary security opinion |
| Exhibit "O" | Proposed Certificate of Receiver evidencing completion of receivership administration         |



Court File No. CV-17-11670-00CL  
 Court File No. CV-16-11567-00CL

**ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 COMMERCIAL LIST**

B E T W E E N:

**VECTOR FINANCIAL SERVICES LIMITED**

Applicant

- and -

**VAUGHAN CROSSINGS INC.**

Respondent

- AND -

B E T W E E N:

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

Applicant

- and -

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION, 2223947 ONTARIO LIMITED, MC TRUSTEE (KITCHENER) LTD., SCOLLARD TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION, 7743718 CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

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APPLICATION UNDER Section 37 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, S.O. 2006, c.29 and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43.

**FIRST REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.  
 COURT-APPOINTED RECEIVER OF VAUGHAN CROSSINGS INC.  
 DATED APRIL 3, 2017  
 VOLUME 1**

## 1.0 INTRODUCTION

1. This First Report (the “**First Report**”) is filed by Ira Smith Trustee & Receiver Inc. (“**ISI**”) in its capacity as Court-appointed Receiver (the “**Receiver**”), pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the Courts of Justice Act, R.S.O 1990, c. C.43, as amended (the “**CJA**”), without security, of certain of the assets, properties and undertaking of Vaughan Crossings Inc. (collectively the “**Company**” or the “**Debtor**”).

### 1.1 Purpose of this Report

2. The purpose of this Report is for the Receiver to report to and seek the approval of this Honourable Court on the:

- a) actions and activities of ISI as Receiver since its appointment and specifically concerning an Agreement of Purchase and Sale dated March 23, 2017 (the “**APS**”) as amended on March 31, 2017;
- b) Receiver’s recommendation for the sale of the Real Property (as defined below) in accordance with the Amended APS (as defined below);
- c) sealing of Volume 2 of this First Report pending the completion of the sale of the Real Property in accordance with the Amended APS;

- d) Receiver distributing the net sale proceeds in accordance with the distribution detailed in Exhibit “I” of this First Report should this Honourable Court approve the Amended APS and the Receiver completing the sale of the Real Property;
- e) fees and disbursements of the Receiver and its legal counsel, Steinberg Title Hope & Israel LLP (“**STHI**”), as well as the estimated fee accrual; and
- f) discharge of the Receiver as described in this First Report.

### **1.2 Disclaimer**

3. In preparing this Report, the Receiver, where stated, has relied upon information obtained from and discussions with 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. As indicated ISI’s Report to Court as Putative Receiver dated January 19, 2017, notwithstanding having served the principal of the Debtor, Mr. A. Guido, with a copy of ISI’s private appointment as Receiver, Mr. Guido has failed to meet or otherwise communicate with the Receiver and has failed to supply the books and records of the Company. Such books and records to date have not been found. Accordingly, the Receiver had to collect data from third parties to be able to initially determine the position of the known Property of the Company and to accumulate the Information.

4. 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 third parties as stated herein, which included unaudited financial statements and internal plans and correspondence. 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 Information in reaching the conclusions set out in this report.

## **2.0 BACKGROUND AND OVERVIEW**

5. ISI was privately appointed as the receiver under a joint retainer agreement which was fully signed on September 19, 2016 by the first mortgagee, Vector Financial Services Limited ("**Vector**" or the "**Applicant**") and the second mortgagee Scollard Trustee Corporation ("**Scollard**") and Olympia Trust Company ("**Olympia**"). Attached hereto as **Exhibit "A"** is a copy of the joint retainer agreement.

6. The Company's known principal assets are the:

- a. freehold interest in the lands with comprising 4.976 acres on the West side of Dufferin Street, north of Centre Street, with the legal description of:

Firstly

PT LT 24 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PTS 10 & 11  
64R7307 EXCEPT PT 1 EXPROP PL R650078; S/T VA84766 ASSIGNED BY  
R312155; VAUGHAN

PIN 03274-0103 (LT)

Secondly

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1,  
65R14039; VAUGHAN

PIN 03274-0104 (LT)

(hereinafter collectively called the "**Real Property**") and;

- b. leasehold interest in the lands comprising 3.610 acres on the West side of Dufferin Street, north of Centre Street, municipally known as 7818 Dufferin Street, Vaughan, Ontario (the "**leasehold lands**") under a lease made as of and effective from April 11, 2007 between the Estate of Harry Kranc, Sarah Kranc the Estate of Leib Schwartzberg as landlord and the Company as tenant (the "**Lease**").
7. The leasehold lands adjoin the Real Property and are located immediately due south of the Real Property. Therefore, the two pieces form one larger area of vacant commercial land for development.
8. On October 27, 2016 Grant Thornton Limited ("**GTL**") was appointed Trustee over the assets, properties and undertakings of Scollard et al (the "**Trustee**") by Order of the Honourable Mr. Justice Newbould. Attached hereto as **Exhibit "B"** is a copy of the GTL Appointment Order.
9. On January 24, 2017, Chaitons LLP ("**Chaitons**") was appointed as representative counsel ("**Representative Counsel**") in connection with various real estate development projects for which the Trustee was appointed over, including the Company's project described in the putative receiver's report and supplementary report, and herein. Chaitons' appointment was by

and subject to the provisions of the Order of the Honourable Mr. Justice Hainey (the “**Representative Counsel Order**”). Attached as Exhibit “**C**” is a copy of the Representative Counsel Order.

10. As putative receiver, ISI filed with this Honourable Court its Report dated January 19, 2017 and its Supplementary Report dated February 13, 2017, regarding Vector’s motion to be heard on February 14, 2017 for the appointment of ISI as Court-appointed Receiver.

11. In those reports, the putative receiver reported, *inter alia*, that it had no funding to keep the Lease in good standing, the expectation that the landlord would terminate the Lease, ongoing meeting and discussions between representatives of the putative receiver, Vector, the Trustee as both a participant in the joint retainer agreement, as second mortgagee and as putative purchaser, and their respective legal counsel.

12. As of the date of this First Report, the Receiver has not received a notice of termination of the Lease.

13. On February 14, 2017 ISI was appointed Receiver over the assets, properties and undertakings of the Lands and related personal property of the Company (as defined in the Court Order) by Order of the Honourable Justice Conway (the “**Appointment Order**”). Attached hereto as **Exhibit “D”** is a copy of the Appointment Order with Justice Conway’s endorsement.

14. As indicated in Justice Conway’s endorsement, the Appointment Order was issued on the basis that:

- a. it was not effective until March 1, 2017;

- b. it was anticipated that the Receiver would enter an Agreement of Purchase and Sale with the Trustee for the purchase of the Real Property on or before March 1, 2017, subject to the approval of this Honourable Court; and
- c. in the event, such Agreement of Purchase and Sale was not executed by March 1, 2017, the Receiver was then free to pursue other sale opportunities including the sales process described in the January 19, 2017 report of the putative receiver.

### **3.0 AGREEMENT OF PURCHASE AND SALE**

15. After the issuance of the Appointment Order, the Trustee's legal counsel, Aird & Berlis LLP ("**A&B**"), provided its draft of an Agreement of Purchase and Sale to the Receiver's legal counsel for review and comment. Discussions ensued between the Receiver and the Trustee through STHI and A&B. The Receiver also obtained input from Vector and its real estate legal counsel, Mr. R. Melvin of Rose, Persiko, Rakowsky, Melvin LLP to determine what level of support the Applicant might provide for an eventual motion by the Receiver for approval of a sale.

16. The Receiver has been advised that the investors in the second mortgage are participants in the acquisition of the Real Property under the Trustee's Agreement of Purchase and Sale.

17. The Receiver further understands that the Trustee and Breakwall Financial Corp. (which the Receiver and Trustee understand was engaged by Scollard prior to the Trustee's appointment to analyze, develop and possibly implement a restructuring plan in respect of the Company), was

working with Vector and several construction lien claimants registered as against the Real Property to further a purchase transaction.

18. On March 1, 2017, an Agreement of Purchase and Sale had not yet been finalized. Productive discussions were continuing in a positive direction, so the Receiver elected to continue those discussions rather than abort them and move to a different sales process merely because a final Agreement of Purchase and Sale had not yet been agreed to by this date.

19. The Receiver's understanding is that the Trustee had various moving parts it was dealing with including:

- a. the need to ensure it had adequate financing to fund an acquisition;
- b. obtain the support of the construction lien claimants;
- c. satisfy itself that whatever its post-acquisition plan was to produce value was it would be beneficial for the Scollard investors it was acting on behalf of; and
- d. satisfy itself that it had investor support.

20. The discussions and negotiations resulted in an Agreement of Purchase and Sale dated March 23, 2017 (the "APS"). Attached as **Exhibit "E"** is a copy of the executed APS.

21. The APS is conditional upon, *inter alia*, the approval of this Honourable Court and the issuance of a Vesting Order. A summary of the main terms of the APS is:



- a. Purchaser: Scollard Trustee Corporation in trust for a corporation to be formed (the “**Purchaser**”).
  - b. Purchase price: \$15 million.
  - c. Payment of purchase price: the purchase price is paid by a reduction of the second mortgage indebtedness in the amount of \$2.82 million and cash of \$11.93 million.
  - d. Deposit: \$250,000.00 payable by certified cheque, bank draft or wire transfer (the bank fee for receipt of which shall be paid by the Vendor), payable to STHI, in trust within four business days of the execution of this Agreement (the “**Deposit**”).
  - e. Distribution of funds: A specific distribution of funds as described below.
22. The Receiver’s understanding is that for the Trustee to obtain the support of the various stakeholders, the Trustee was required to consider and obtain support for a specific distribution of the sale proceeds. Attached as **Exhibit “F”** is the Receiver’s schedule of the proposed distribution contained in the APS which the Receiver has been advised has the support of the Trustee and the stakeholders.
23. The APS was signed on March 23, 2017. Therefore, the deposit was payable no later than 5:00PM Toronto time on Wednesday, March 29, 2017.

24. On the evening of Friday, March 24, 2017, the Receiver and other stakeholders and their respective legal counsel, were sent an email from Mr. D. Steeves. Attached as **Exhibit “G”** is a copy of the email. Mr. Steeves ended his email communication with the following:

“Therefore, I must inform you as an investor and as the committee representative for this project that I am opposed to the proposed transaction, and ask that it not proceed unless a satisfactory resolution of the tax issue is achieved. If the proposed transaction is submitted to the court for approval without a satisfactory resolution of the tax issue, I and other investors intend to appear to oppose it.”

25. Although the Receiver has no interest in whatever perceived income tax consequences for the investors the proposed sale of the Real Property may have, the Receiver was concerned given that in paragraphs 5.01 and 5.02 of the APS, the Purchaser, by its Trustee, represents and warrants that it has all necessary authority to enter into the APS and complete the transaction.

26. During the following days, the Receiver attempted to obtain written confirmation from the Trustee and its legal counsel that the contemplated transaction was proceeding. Notwithstanding the various communications and discussions, neither the Trustee nor A&B provided such advice. As of 5:00PM Toronto time on March 29, 2017 STHI had neither received the Deposit nor written confirmation that the Trustee was proceeding with the transaction and that the Deposit would be shortly forthcoming.

27. Rather, the Receiver and STHI did receive from the Purchaser’s lender a proposal to indefinitely extend the APS and the requirement to pay the Deposit daily until the Trustee could resolve this matter.

28. The Receiver, for many of the same reasons outlined in the putative receiver's report<sup>1</sup>, was concerned that by allowing the APS to be extended on such an informal basis, there was no certainty that the various stakeholders would prioritize a resolution of the Purchaser's breach as highly as the Receiver would require. After consultation with both STHI and Mr. Melvin on behalf of the first mortgagee Vector, the Receiver instructed Mr. Brooker to advise the Purchaser and all the stakeholders that the Receiver considered the APS to have been breached by the Purchaser. Attached as **Exhibit "H"** is a copy of Mr. Brooker's email sent March 29, 2017 at 5:27 PM.

29. As a result, discussions continued on March 29 and 30, 2017, regarding a resolution of this situation. By the afternoon of March 30, 2017, the Receiver assumed that the Trustee determined that in its opinion, it had the requisite investor support as agreement was reached to amend the APS.

30. By Agreement dated March 31, 2017, the APS was amended (the "**Amending Agreement**") and the transaction proposed under the APS was continuing, as amended (the "**Amended APS**"). Attached as **Exhibit "I"** is a copy of the executed Amending Agreement.

31. The main amendments to the APS are as follows:

- a. the Closing Date (as such term is defined in the APS) is amended to be the later of: (i) April 19, 2017; and (ii) the date that is two weeks following the date on

<sup>1</sup> See paragraph 22 of the putative receiver's report dated January 19, 2017.

which the Court grants the Approval and Vesting Order pursuant to Section 4.03 of the APS, unless otherwise agreed amongst the parties;

- b. the Deposit shall be paid within two business days of the execution of the Amending Agreement (as defined below); and
- c. unless amended by the Amending Agreement, all other terms and conditions of the APS remain in full force and effect.

#### **4.0 SUPPORT FOR THE AMENDED APS AND THE CONTEMPLATED TRANSACTION**

32. The Company is currently indebted to Vector in the amount of \$10,419,696.93. Attached as **Exhibit “J”** is a copy of a current mortgage statement issued by Vector.

33. In considering its recommendation to this Honourable Court for the approval of the Amended APS, the Receiver considered the following:

- a. Justice Conway considered the possibility that the Court-appointed Receiver may return to Court with a motion for the approval of the sale of the Real Property to the Scollard second mortgage investor group without having exposed the Real Property for sale to the public. Without any commentary on this possibility or its appropriateness, Justice Conway determined that it was just or convenient to issue the Appointment Order (as defined in the First Report).

- b. For the reasons described in sealed Volume 2 of this First Report, the purchase price of \$15 million represents fair value for the Real Property. The reason for the Receiver's request that Volume 2 of this First Report be sealed pending completion of the contemplated transaction is so that the information contained in the Volume 2 will not become public information unless the sale is completed. If the sale is not completed, the Receiver believes it would be at a disadvantage in negotiating a sale of the Real Property to another party if they were aware of the information contained in Volume 2.
- c. For the reasons described in sealed Volume 2 of this First Report, the Receiver does not believe that greater net sale proceeds will be achieved if the sale of the Real Property is exposed to the marketplace, after taking all other issues into account.
- d. Vector as first mortgagee is suffering a shortfall on its indebtedness and is in support of the transaction described in the Amended APS.
- e. The Receiver has been advised that the Scollard second mortgage investor group will gain a benefit of participating in the future development of the Real Property if the contemplated transaction is completed. The Receiver was not involved in any discussions with either the investors or any other party establishing such participation.

- f. The proposed distribution results in the discharge of the construction liens at a discount. In the event this contemplated transaction is not completed and the Receiver sells the Real Property to a different purchaser, the Receiver's legal counsel must provide a legal opinion to the Receiver on the validity of each registered lien. This may require greater investigation by both the Receiver and STHI as none has been performed to date by the Receiver. Such investigation and legal opinion could lead to litigation with one or more lien claimants which will increase the costs in this receivership administration. It may also not lead to a discharge of all construction lien registrations at the same discount available under the Amended APS transaction. This again would increase costs. In such event, Vector will suffer a greater shortfall.
- g. This contemplated transaction has the support of the Court-appointed Trustee over the Scollard second mortgage, Grant Thornton Limited.
- h. This contemplated transaction also provides releases to the Receiver, Trustee and the first and second mortgagees from other stakeholders. Attached hereto as **Exhibit "K"** is a copy of the quit claims.
- i. In making the recommendation to this Honourable Court in support of the approval of the Amended APS, the Receiver believes it has considered the interests and desires of the stakeholders and has acted fairly to all parties. The Receiver therefore believes that its recommendations to this Honourable Court is fair to all parties.

- j. The Receiver has been advised that there is no further funding available to the Purchaser to increase the cash component of its offer to purchase.
- k. The completion of the transaction under the Amended APS will allow for the discharge of the Receiver once the distribution of the net sale proceeds is completed. This too reduces the length of time and cost of this receivership administration.
- l. The Receiver believes, based on the reasons stated above, that both Vector and the Scollard second mortgage investor group will be prejudiced if the Scollard second mortgage group cannot purchase the Real Property in the transaction contemplated in the Amended APS.

## **5.0 RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS**

34. As the Real Property is raw land for development, there is no cash flow from the asset. The only expenditure by the Receiver was to obtain appropriate insurance coverage. Such cost was funded by Vector.

35. Accordingly, the Receiver has not prepared a Statement of Receipts and Disbursements.

## **6.0 PROFESSIONAL FEES AND DISBURSEMENTS**

36. Attached as **Exhibit "L"** is a copy of the Affidavit of Mr. Ira Smith in connection with the Receiver's fee and disbursements including the detailed statement of account for the period

from August 31, 2016 to March 31, 2017 inclusive, in the amount of \$71,171.22 (inclusive of HST). This includes an estimate to complete this administration.

37. To date, Vector has advanced the amount of \$14,578.36 and Scollard/the Trustee has advanced the amount of \$NIL on account of such fee and disbursements. The proposed distribution detailed in Exhibit “F” includes payment of the Receiver’s fee and disbursements incurred prior to the issuance of the Appointment Order. In order for there to be sufficient funds to make the required distribution, the Receiver will voluntarily accept the amount of \$65,521.22.

38. Attached as **Exhibit “M”** is a copy of the Affidavit of Mr. Michael Cass in connection with STHI’s fee and disbursements including the detailed statement of account for the period August 25, 2016 to March 31, 2017 inclusive, in the amount of \$71,171.22 (inclusive of HST). This includes an estimate to complete this administration. In order for there to be sufficient funds to make the required distribution, STHI will voluntarily accept the amount of \$64,478.78.

39. To date, Vector has advanced the amount of \$6,538.33 and Scollard/the Trustee has advanced the amount of \$NIL on account of such fee and disbursements. The proposed distribution detailed in Exhibit “F” includes payment of STHI’s fee and disbursements incurred prior to the issuance of the Appointment Order.

## **7.0 DISCHARGE OF THE RECEIVER**

40. The Receiver recommends its contemplated discharge procedure to this Honourable Court, if the Amended APS is approved by this Honourable Court, the sale of the Real Property and the distribution of funds completed.



41. The Receiver has received a preliminary legal opinion from STHI indicating that the first mortgage security of Vector and the second mortgage security of Scollard is valid and enforceable. Attached hereto as **Exhibit “N”** is a copy of an email from Mr. M. Cass of STHI providing his opinion, with a full legal opinion to follow.

42. Accordingly, the Receiver proposes to distribute the net sales proceeds as disclosed in the Amended APS and in the Receiver’s schedule of the proposed distribution provided as Exhibit “F” of this First Report.

43. The Receiver recommends to this Honourable Court that after so doing and all cheques having cleared the Receiver’s trust bank account, rather than the Receiver making a motion on notice to the service list solely for seeking its discharge, that the Receiver file with this Honourable Court a certificate, substantially in the form contained in **Exhibit “O”** of this First Report (the “**Certificate**”). Upon the filing of the Certificate, the Receiver will then be discharged.

## **8.0 OTHER MATTERS**

44. The Receiver established a webpage for this receivership administration located at:

[http://www.irasmithinc.com/case\\_studies/vci/index.html](http://www.irasmithinc.com/case_studies/vci/index.html)

This page contains an explanation of the status of the receivership administration on an ongoing basis and provides access to all available public Court documents for viewing and downloading.

45. As of the time of signing this First Report, the Receiver has/has not received the Deposit.

## **9.0 CONCLUSION AND RECOMMENDATIONS**

46. For the reasons set out in this Report, the Receiver respectfully recommends that this Honourable Court approve the:

- a. actions and activities of ISI as Receiver since its appointment and specifically concerning an Agreement of Purchase and Sale dated March 23, 2017 as amended by the Amending Agreement dated March 31, 2017;
- b. Receiver's recommendation for the sale of the Real Property in accordance with the Amended APS;
- c. sealing of Volume 2 of this First Report pending the completion of the sale of the Real Property in accordance with the Amended APS;
- d. Receiver distributing the net sale proceeds in accordance with the distribution detailed in Exhibit "F" of this First Report should this Honourable Court approve the Amended APS and the Receiver completing the sale of the Real Property;
- e. the fees and disbursements of the Receiver and its legal counsel, Steinberg Title Hope & Israel LLP; and
- f. discharge of the Receiver as described in this First Report.

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All of which is respectfully submitted at Toronto, Ontario this 3<sup>rd</sup> day of April, 2017.

**IRA SMITH TRUSTEE & RECEIVER INC.**

solely in its capacity as Court-Appointed Receiver of  
Vaughan Crossings Inc. and not in its personal capacity

Per:

  
\_\_\_\_\_  
Ira Smith MBA CPA CA CIRP LIT  
President

# TAB A

**JOINT RETAINER AGREEMENT**

THIS AGREEMENT is made as of the \_\_\_\_\_ day of August, 2016,

BETWEEN:

**VECTOR FINANCIAL SERVICES LIMITED,**  
hereinafter called "**Vector**"

- and -

**SCOLLARD TRUSTEE CORPORATION** and  
**OLYMPIA TRUST COMPANY**  
hereinafter individually and collectively called "**Scollard**"

WHEREAS Vaughan Crossings Inc. (the "**Borrower**") is indebted to the Vector for a loan (the "**Vector Loan**") in the original principal amount of \$32,500,000 made pursuant to a Loan Proposal dated November 27, 2013 and a Commitment Letter dated December 6, 2013, each as amended or further amended from time to time (collectively, the "**Vector Commitment**") issued by Vector to the Borrower and secured, in part, by (a) a first Charge/Mortgage of all property and assets (collectively, the "**Owned Property**") comprising (i) Part Lot 24, RCP 10309, being Parts 10 & 11 on Plan 64R-7307 exc Part 1 on Expr Plan R650078, PIN 03274-0103 LT, 0 Dufferin Street, Vaughan, Ontario, and (ii) Part Lot 25, RCP 10309, being Part 1 on Plan 65R-14039, PIN 03274-0104 LT, 7850 Dufferin Street, Vaughan, Ontario; and (iii) a first Charge of Lease of all property and assets (collectively, the "**Leased Property**") comprising the leasehold interest in Part Lot 22, 25, 26, 27 & 28, RCP 10309, PINs 03274-0106 LT, 03274-0107 LT, 03274-0185 LT & 03274-0186 LT, 7818 Dufferin Street, Vaughan;

AND WHEREAS the Borrower is indebted to the Scollard for a loan (the "**Scollard Loan**") in the original principal amount of \$14,800,000 made pursuant to a Loan Agreement dated August 8, 2013, each as amended or further amended from time to time (collectively, the "**Scollard Commitment**") issued by Scollard to the Borrower and secured, in part, by a second Charge/Mortgage of all property and assets comprising Owned Property;

AND WHEREAS the Borrower is in default of both the Vector Loan and the Scollard Loan;

AND WHEREAS each of Vector and Scollard (each a "**party**" and collectively the "**parties**") have the right to appoint a receiver of the Borrower as of the date of the date hereof;

AND WHEREAS both Vector and Scollard desire to cooperate with each other in the realization of the Owned Property and the Leased Property (collectively, the "**Property**") in order to recover the amounts due and owing under the Vector Loan and the Scollard Loan to the greatest extent possible having regard to the fair realisable value of the Property and upon commercially reasonable terms and conditions;

NOW THEREFORE in consideration of the premises, the sum of TWO DOLLARS (\$2.00) and other good and valuable consideration now paid or given by each party to each of the other parties hereto (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties hereto hereby covenant and agree as follows:

1. **Retainer** - Ira Smith Trustee & Receiver Inc. (the "**Receiver**") will be jointly retained by Vector and Scollard as the private receiver of the Borrower and all of its assets upon the terms and conditions set out in an engagement letter of the Receiver (the "**Engagement Letter**") to be entered into amongst the parties and the Receiver, the form and content of which has been settled prior to the parties entering into this Agreement. Vector and Scollard agree to execute the Engagement Letter once issued by the Receiver and forthwith thereafter return a signed copy of it to the Receiver and its counsel. The Receiver shall only be required to act upon instructions and directions which are unanimously agreed upon and consented to by each party; provided that in the event that either party is in default of any obligation under this Agreement which is not cured within three (3) business days after written notice thereof given to the defaulting party by the Receiver or the non-defaulting party, thereafter the non-defaulting party shall be entitled to instruct and give directions to the Receiver unilaterally, and the Receiver shall be entitled to rely upon the same, until such time as such default has been fully cured; and any instructions and directions given during the period of any such default shall remain binding and effective upon the Receiver notwithstanding the subsequent cure of such default.

2. **Purpose of the Receivership** - As set out in the Engagement Letter, the services of the Receiver will be limited only to those necessary to market and sell the Property, including any services ancillary thereto, and the Receiver will not be required or instructed to undertake any forensic or other investigative work with respect to the Borrower, except to the extent required for the purposes of selling the Property or where Scollard covenants directly with the Receiver to pay for any such additional forensic or investigative work. The parties agree that Scollard, as second mortgagee, shall be permitted to submit a stalking horse purchase offer or otherwise participate in any sale or auction that the Receiver considers worth accepting and can bid on the Property with a combination of cash and credit (to the extent of tendering a portion or all of the amount owed to Scollard under the Scollard Commitment ). Vector shall not object to any such bid by Scollard; provided that the cash component of the bid shall be sufficient to repay all monies owing to Vector under the Vector Loan and the claims of all other parties found to have priority over the Scollard Loan.
3. **Co-operation with Receiver** - Each party will fully cooperate with the Receiver as reasonably required, including providing it with any necessary information or documents as may be requested by it to fulfill its mandate and services.
4. **Receiver's Costs** - Each of Vector and Scollard agree to pay one-half (50%) of the Receiver's fees, costs, expenses and applicable taxes as invoiced from time to time in accordance with the Engagement Letter, and acknowledge that, as between the parties and the Receiver, the parties shall be jointly and severally liable to the Receiver for such fees, costs, expenses and applicable taxes.
5. **Ground Lease Rents** - Unless otherwise agreed with the landlord of the Leased Property, the rents payable under the Ground Lease of the Leased Property shall be kept current during the term of the Receiver's appointment, with each party contributing one-half (50%) of the amounts thereof, either by forwarding funds to the Receiver as required to allow it to make the rent payments or, upon agreement of the parties and direction of the Receiver, by payment directly to the landlord.
6. **Other Costs and Funding Thereof** -
- (a) The parties agree that they shall instruct the Receiver, to the extent possible and before requiring the parties to fund any of the same, to borrow all funds necessary to satisfy payment of the monies payable by the parties pursuant to Sections 4 and 5 hereof and all other monies required by the Receiver in order to fulfill its mandate. The Receiver shall be entitled to arrange such borrowings from either or both of the parties or their respective affiliates, as lender(s), at such rate of interest and upon such other terms as mutually agreed by the parties, and any such borrowings shall rank in priority to both the Vector Loan and the Scollard Loan and be repaid in proportion to the monies so advanced by the parties or their respective affiliates as the case may be.
- (b) To the extent not so borrowed by the Receiver, all monies payable by the parties pursuant to Sections 4 and 5 hereof and all other monies required by the Receiver in order to fulfill its mandate shall be provided by the parties, each as to one-half (50%) thereof. The monies so advanced by each party shall be treated as a protective advance made by each such party under its respective loan, and shall bear the same rate of interest as applicable to each respective loan, but as between Vector and Scollard, such advances shall be repaid to them in proportion to the amounts so advanced in priority to all other amounts owing under the Vector Loan and the Scollard Loan.
- (c) Notwithstanding anything otherwise provided herein, all of the Receiver's fees, costs, expenses and applicable taxes related to any additional forensic or investigative work as referred to in Section 2 hereof shall not be satisfied by any Receiver borrowings and shall be paid for only by Scollard, and all amounts so paid shall rank subordinate to the Vector Loan and the claims of all other parties found to have priority over the Scollard Loan.
7. **Priority of Receiver's Costs and Borrowings** - The parties agree that all Receiver's costs to the extent not paid by the parties in accordance with this Agreement and all monies borrowed by the Receiver from any third party in order to fulfill its mandate under the Engagement Letter shall have priority over the Vector Loan and the Scollard Loan and the security therefore.
8. **Indemnities** - If and to the extent that any party shall be or become liable for or shall provide more than its share of any obligation or liability hereunder, all other parties who have provided less than their share shall indemnify and save harmless the first-mentioned party and shall forthwith pay or provide to such first-mentioned party and save it harmless from

and against any and all liability. Each party hereby indemnifies and agrees to save the other party harmless from and against any and all liabilities, damages, actions, causes of action, proceedings, claims, demands, costs and expenses which shall or may arise by virtue of: (a) anything done by such party (or any agent, employee or representative of such party) outside the scope of or in breach of the terms of this Agreement; or (b) the non-performance by such party (or any agents, employees or representative of such party) of all or any part of the obligations of such party under this Agreement.

9. **Conversion to Court Appointment** - In the event that (i) the Receiver cannot proceed with the sale of the Property as a result of the action(s) of any third party(ies) or other circumstances not within the control of the Receiver, Vector and Scollard, (ii) where a purchaser whose offer the Receiver is willing to accept, requires a vesting order of a court in relation to a purchase of the Property or (iii) there is a disagreement between Vector and Scollard as to instructions to be given to the Receiver which cannot be resolved within a reasonable time, at the request of the Receiver and upon an application to be brought by Vector at the expense of both parties, both parties will consent to a court order appointing the Receiver as the court appointed receiver of the Borrower and all of its assets

10. **Legal counsel** - Legal counsel are or will be appointed for the parties and the Receiver as follows:

|          |   |
|----------|---|
| Vector   | Rose, Persiko, Rakowsky, Melvin LLP<br>Attention: Ronald B. Melvin          |
| Scollard | Harris + Harris LLP<br>Attention: Gregory H. Harris                         |
| Receiver | Steinberg, Title, Hope & Israel LLP (“STHI”)<br>Attention: David A. Brooker |

The parties hereto acknowledge that Vector is represented by STHI in various construction lien actions that have been brought against it with respect to the Property, and in current outstanding proceedings brought by Scollard to appoint a receiver over the Borrower, and agree that all claims regarding any potential conflict of interest are waived.

In the event that a court appointment of the Receiver is required, STHI will continue acting for the Receiver in that proceeding, and will also act for Vector in that same proceeding until such time as conflict may exist that would require the Receiver retaining new counsel; the determination of whether such a conflict exists will be either on consent of the parties to this agreement, or if such consent is not obtained, then as determined by the court. In any event, STHI shall continue to act for Vector in the construction lien actions that have been commenced.

11. **Communications** - Each party at and its legal counsel and other representatives may communicate directly to the Receiver, provided that a copy of each such communication shall be sent to the other party (and its legal counsel if and as appropriate). All communications by the Receiver shall be simultaneously made to each of the parties, with copies to legal counsel for the parties if and as appropriate. Olympia Trust Company hereby irrevocably authorizes and directs Scollard Trustee Corporation to communicate and make all decisions on its behalf in connection with this Agreement and the Engagement Letter.

12. **Withdrawal of Scollard Application** - Forthwith after execution of this Agreement and the Engagement Letter, Scollard will withdraw its current application to appoint a receiver (Ontario Court File No. CV-16-11447-00CL) on a without costs basis.

13. **Termination** - This Agreement shall terminate and be at an end upon the occurrence of the earlier of (i) court appointment of the Receiver pursuant to Section 9 hereof, and (ii) completion of the realization upon and sale of Property and distribution of the proceeds of such sale amongst all parties entitled thereto in accordance with their respective legal priorities to the same. After termination of this Agreement, Scollard shall be entitled to continue with the engagement of the Receiver for such purposes as Scollard may see fit in its sole discretion and at Scollard’s sole cost and expense.

14. **Successors, Assigns & Governing Law** - This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, legal personal representatives, successors and assigns. This Agreement shall be read with all changes of gender and number as required by the context, and shall be construed in accordance with the laws of the Province of Ontario and the law of Canada applicable therein, and the parties hereto hereby attorn to the jurisdiction of the Province of Ontario.

15. **Counterparts** - This Agreement may be executed by the parties hereto in two or more counterparts, and when each party has executed and delivered a counterpart of this Agreement to all of the other parties hereto, such counterparts taken together shall be deemed to be a fully executed original copy of this Agreement as though all parties had executed the same document. The Borrower hereby irrevocably consent to and authorize the Lender and the Lender's Solicitors to consolidate the signed pages of each such executed counterpart into a single document, which consolidated document shall be deemed to be a fully executed original copy of this Agreement as though all parties had executed the same document

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

**VECTOR FINANCIAL SERVICES LIMITED**

Per: \_\_\_\_\_

  
Mickey Baratz, Director of Finance

I have authority to bind the Corporation.

**SCOLLARD TRUSTEE CORPORATION**

Per: \_\_\_\_\_

Raj Singh, President

I have authority to bind the Corporation.

**OLYMPIA TRUST COMPANY**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I/We have authority to bind the Corporation.



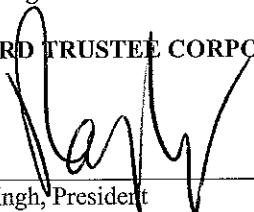
15. **Counterparts** - This Agreement may be executed by the parties hereto in two or more counterparts, and when each party has executed and delivered a counterpart of this Agreement to all of the other parties hereto, such counterparts taken together shall be deemed to be a fully executed original copy of this Agreement as though all parties had executed the same document. The Borrower hereby irrevocably consent to and authorize the Lender and the Lender's Solicitors to consolidate the signed pages of each such executed counterpart into a single document, which consolidated document shall be deemed to be a fully executed original copy of this Agreement as though all parties had executed the same document

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

**VECTOR FINANCIAL SERVICES LIMITED**

**SCOLLARD TRUSTEE CORPORATION**

Per: \_\_\_\_\_  
Mickey Baratz, Director of Finance

Per: \_\_\_\_\_  
  
Raj Singh, President

I have authority to bind the Corporation.

I have authority to bind the Corporation.

**OLYMPIA TRUST COMPANY**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the Corporation.



# TAB B

Court File No. CV-16-11567-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE

)

THURSDAY, THE 27<sup>TH</sup> DAY

JUSTICE NEWBOULD

)

OF OCTOBER, 2016

BETWEEN:

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

Applicant

- and -

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION,  
TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION,  
TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION, 2223947  
ONTARIO LIMITED, MC TRUSTEE (KITCHENER) LTD., SCOLLARD TRUSTEE  
CORPORATION, TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE  
CORPORATION, 7743718 CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION,  
TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and  
HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

Respondents

**APPLICATION UNDER SECTION 37 OF THE  
MORTGAGE BROKERAGES, LENDERS AND ADMINISTRATORS ACT, 2006, S.O. 2006, c.  
29 and SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990 c. C.43**

**APPOINTMENT ORDER**

**THIS APPLICATION**, made by The Superintendent of Financial Services (the "**Superintendent**"), for an Order, *inter alia*, pursuant to section 37 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, S.O. 2006, c. 29, as amended (the "**MBLAA**"), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, appointing Grant Thornton Limited ("**GTL**") as trustee (in such capacity, the "**Trustee**"), without security, of all of the assets, undertakings and properties of Textbook Student Suites (525 Princess Street) Trustee Corporation, Textbook Student Suites (555 Princess Street) Trustee Corporation, Textbook Student Suites (Ross Park) Trustee Corporation, 2223947 Ontario Limited, MC

Trustee (Kitchener) Ltd., Scollard Trustee Corporation, Textbook Student Suites (774 Bronson Avenue) Trustee Corporation, 7743718 Canada Inc., Keele Medical Trust Corporation, Textbook Student Suites (445 Princess Street) Trustee Corporation and Hazelton 4070 Dixie Road Trustee Corporation (collectively, the "**Respondents**"), was heard this day at 330 University Avenue, Toronto, Ontario;

**ON READING** the affidavit of Mohammed Ali Marfatia sworn October 20, 2016 and the exhibits thereto (the "**Supporting Affidavit**") and on reading the Affidavit of Mr. John Davies sworn October 26, 2016 and the Affidavit of Mr. Gregory Harris sworn October 26, 2016 and the consent of GTL, and on hearing the submissions of counsel for the Superintendent, counsel for certain of the developers, counsel for Harris + Harris, LLP and counsel for Tier 1 Advisory Transaction Advisory Services Inc. and Mr. Singh, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Eunice Baltkois sworn October 20, 2016, filed;

#### **SERVICE**

1. **THIS COURT ORDERS** that the time for service and filing 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 37 of the MBLAA, GTL is hereby appointed Trustee, without security, of all of the assets, undertakings and properties of the Respondents, including, without limitation, all of the assets held in trust or required to be held in trust by the Respondents, their counsel, agents and/or assignees on behalf of syndicated mortgage investors (collectively, the "**Property**"), which Property, for greater certainty, includes any and all real property charges in favour of the Respondents (the "**Real Property Charges**"), including, without limitation, any and all monetary and non-monetary entitlements in respect to the assets and values thereunder.

#### **TRUSTEE'S POWERS**

3. **THIS COURT ORDERS** that the Trustee 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 Trustee is hereby expressly empowered and authorized to do any of the following where the Trustee 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, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the holding of mortgage security in trust on behalf of syndicated mortgage investors, the administering of the mortgages, 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 businesses of the Respondents, 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 each of the Respondents;
- (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 Trustee'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 each of the Respondents or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to each of the Respondents and to exercise all remedies of each of the Respondents in collecting such monies, including, without limitation, to enforce any security held by each of the Respondents, including, without limitation, such security held on behalf of syndicated mortgage investors;
- (g) to settle, extend or compromise any indebtedness owing to each of the Respondents;

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- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Trustee's name or in the name and on behalf of the Respondents, or any of them, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to any of the Respondents, the Property or the Trustee, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Trustee in its discretion may deem appropriate;
- (k) with the approval of this Court, to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, and in 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 such case the *Ontario Bulk Sales Act* shall not apply;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Trustee deems appropriate on all matters relating to the Property and the Trustee's mandate, and to share information, subject to such terms as to confidentiality as the Trustee deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of

and, if thought desirable by the Trustee, in the name of the Respondents, or any of them;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of any of the Respondents, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Respondents;
- (q) to exercise any shareholder, partnership, joint venture or other rights which each of the Respondents may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Trustee 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 Respondents, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE TRUSTEE**

4. **THIS COURT ORDERS** that: (i) the Respondents; (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their 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 Trustee of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Trustee, and shall deliver all such Property to the Trustee upon the Trustee's request.

5. **THIS COURT ORDERS** that, pursuant to and without limiting the generality of paragraph 4 of this Order, all Persons, including, without limitation, Harris + Harris LLP ("**H&H**"), shall, unless otherwise instructed by the Trustee: (i) deliver to the Trustee (or in the case of RRSP or other registered funds administered by Olympia Trust Company ("**OTC**") not release to any Person without further Order of this Court) any and all monies held in trust that are related to any of the Respondents or their businesses (collectively, the "**Trust Funds**"), which Trust Funds, for greater certainty, include any and all monies in any H&H or OTC account that are purported to be held in trust for the investors in or beneficiaries under any of the Real Property



Charges, including, without limitation, all monies held by way of interest reserve to satisfy interest payments to such investors or beneficiaries, which Trust Funds are to be held or used by the Trustee in accordance with the terms of this Order and any further Order of this Court; and (ii) upon the Trustee's request, provide an accounting of all funds received from or on behalf of the Respondents or their associated businesses.

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Trustee 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 any of the Respondents, 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 Trustee or permit the Trustee to make, retain and take away copies thereof and grant to the Trustee unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 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 Trustee due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

8. **THIS COURT ORDERS** that the Trustee shall provide each of the relevant landlords with notice of the Trustee's intention to remove any fixtures from any leased premises at least

seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Trustee's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Trustee, or by further Order of this Court upon application by the Trustee on at least two (2) days' notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE TRUSTEE**

9. **THIS COURT ORDERS** that, with the exception of each of the NOP (as defined in the Supporting Affidavit), the Suspension Order (as defined in the Supporting Affidavit) and the Compliance Order (as defined in the Supporting Affidavit), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Trustee except with the written consent of the Trustee or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY**

10. **THIS COURT ORDERS** that, with the exception of each of the NOP, the Suspension Order and the Compliance Order: (i) no Proceeding against or in respect of the Respondents, or any of them, or the Property shall be commenced or continued except with the written consent of the Trustee or with leave of this Court; and (ii) any and all Proceedings currently under way against or in respect of the Respondents, or any of them, or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

11. **THIS COURT ORDERS** that, with the exception of each of the NOP, the Suspension Order and the Compliance Order, all rights and remedies against each of the Respondents, the Trustee, or affecting the Property, are hereby stayed and suspended except with the written consent of the Trustee 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 *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and further provided that nothing in this paragraph shall: (i) empower the Trustee or the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on; (ii) exempt the Trustee or the Respondents from compliance with statutory or regulatory provisions relating to health, safety or

the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE TRUSTEE**

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

#### **CONTINUATION OF SERVICES**

13. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Respondents, or any of them, 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 Respondents 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 Trustee, and that the Trustee shall be entitled to the continued use of the Respondents' 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 Trustee in accordance with normal payment practices of the Respondents or such other practices as may be agreed upon by the supplier or service provider and the Trustee, or as may be ordered by this Court.

#### **TRUSTEE TO HOLD FUNDS**

14. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Trustee 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 Trustee (the "**Post Trusteeship Accounts**") and the monies standing to the credit of such Post Trusteeship Accounts from time to time, net of any disbursements provided for herein, shall be held by the Trustee to be paid in accordance with the terms of this Order or any further Order of this Court.

## EMPLOYEES

15. **THIS COURT ORDERS** that all employees of the Respondents shall remain the employees of the Respondents until such time as the Trustee, on the Respondents' behalf, may terminate the employment of such employees. The Trustee shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in subsection 14.06(1.2) of the BIA, other than such amounts as the Trustee may specifically agree in writing to pay, or in respect of its obligations under subsections 81.4(5) and 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## PIPEDA

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and any other applicable privacy legislation, the Trustee 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 Trustee, 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 Respondents, and shall return all other personal information to the Trustee, or ensure that all other personal information is destroyed.

## LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **THIS COURT ORDERS** that nothing herein contained shall require the Trustee 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 Trustee from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Trustee shall not, as a result of this Order or anything done in pursuance of the Trustee’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 TRUSTEE’S LIABILITY**

18. **THIS COURT ORDERS** that the Trustee 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 subsections 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 Trustee by section 14.06 of the BIA or by any other applicable legislation.

#### **TRUSTEE’S ACCOUNTS**

19. **THIS COURT ORDERS** that the Trustee and counsel to the Trustee shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, which fees and disbursements shall be added to the indebtedness secured by the Real Property Charges, and that the Trustee and counsel to the Trustee shall be entitled to and are hereby granted a charge (the “**Trustee’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 Trustee’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 subsections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

20. **THIS COURT ORDERS** that the Trustee and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Trustee and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. **THIS COURT ORDERS** that prior to the passing of its accounts, the Trustee shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its

fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Trustee or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE APPOINTMENT**

22. **THIS COURT ORDERS** that the Trustee 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 \$300,000.00 (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 Trustee 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 "**Trustee'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 Trustee's Charge and the charges as set out in subsections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

23. **THIS COURT ORDERS** that neither the Trustee's Borrowings Charge nor any other security granted by the Trustee in connection with its borrowings under this Order shall be enforced without leave of this Court.

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

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Trustee pursuant to this Order or any further order of this Court and any and all Trustee'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 Trustee's Certificates.

#### **SERVICE AND NOTICE**

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in these proceedings, the service

of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the "**Rules**"), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://www.grantthornton.ca/tier1>.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Trustee is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Respondents' creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

28. **THIS COURT ORDERS** that the Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Trustee from acting as a trustee in bankruptcy of any of the Respondents.

30. **THIS COURT ORDERS** that Confidential Exhibit "A" and Confidential Exhibit "B" to the Supporting Affidavit be and are hereby sealed until further Order of this Court.

31. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Trustee 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 Trustee, as an officer of

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this Court, as may be necessary or desirable to give effect to this Order or to assist the Trustee and its agents in carrying out the terms of this Order.

32. **THIS COURT ORDERS** that the Trustee 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 Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

33. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice, or such shorter period of time as the Court may permit, to the Trustee 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.



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

OCT 27 2016

PER / PAR: 



**SCHEDULE "A"**  
**TRUSTEE CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. **THIS IS TO CERTIFY** that Grant Thornton Limited., the Trustee (in such capacities, the "Trustee") of all of the assets, undertakings and properties of Textbook Student Suites (525 Princess Street) Trustee Corporation, Textbook Student Suites (555 Princess Street) Trustee Corporation, Textbook Student Suites (Ross Park) Trustee Corporation, 2223947 Ontario Limited, MC Trustee (Kitchener) Ltd., Scollard Trustee Corporation, Textbook Student Suites (774 Bronson Avenue) Trustee Corporation, 7743718 Canada Inc., Keele Medical Trust Corporation, Textbook Student Suites (445 Princess Street) Trustee Corporation and Hazelton 4070 Dixie Road Trustee Corporation (collectively, the "**Respondents**"), including all of the assets held in trust by the Respondents on behalf of syndicated mortgage investors (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 27<sup>th</sup> day of October, 2016 (the "**Order**") made in an action having Court file number CV-16-11567-00CL, has received as such Trustee from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Trustee 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 Trustee pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), 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 Trustee 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 Trustee 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 Trustee to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.
7. The Trustee 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 \_\_\_\_\_, 2016.

**GRANT THORNTON LIMITED**, solely in its capacity as Trustee of the Property (as defined in the Order), and not in its personal capacity

Per: \_\_\_\_\_

Name: Jonathan Krieger

Title: Senior Vice President

THE SUPERINTENDENT OF FINANCIAL SERVICES

- and -

TEXTBOOK STUDENT SUITES (525 PRINCESS STREET)  
TRUSTEE CORPORATION, ET AL.

Applicant

Respondents

Court File No. CV-16-11567-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceedings commenced at Toronto

**APPOINTMENT ORDER**

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

5160 Yonge Street

P.O. Box 85

Toronto, ON M2N 6L9

Tel: (416) 590-7143

Fax: (416) 590-7556

**Mark Bailey**

Email: [mark.bailey@fsco.gov.on.ca](mailto:mark.bailey@fsco.gov.on.ca)

**Daniel Di Fonzo**

Email: [daniel.difonzo@fsco.gov.on.ca](mailto:daniel.difonzo@fsco.gov.on.ca)

*Lawyers for the Applicant, The Superintendent of  
Financial Services*

# TAB C

Court File No. CV-16-11567-00CL

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

THE HONOURABLE JUSTICE

*HAINES*)  
)  
)TUESDAY, THE 24<sup>TH</sup>

DAY OF JANUARY, 2017

**BETWEEN:**

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

**Applicant**

- and -

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION, 2223947 ONTARIO LIMITED, MC TRUSTEE (KITCHENER) LTD., SCOLLARD TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION, 7743718 CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

**Respondents****ORDER****(Appointing Representative Counsel)**

**THIS MOTION**, made by the Investors Committee (as defined in the Affidavit of Peter Pontsa sworn January 18, 2017) for an Order appointing Chaitons LLP ("**Chaitons**") as representative counsel in this proceeding to represent the interests of investors (the "**Tier 1 Investors**") in syndicated mortgage investments in the 16 projects listed in **Schedule "A"** hereto (the "**Tier 1 Projects**") and certain ancillary relief, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Affidavit of Peter Pontsa sworn January 18, 2017 and the exhibits thereto, and on hearing the submissions of counsel for the Investors Committee, for Spring Hill Investments Inc. and for Grant Thornton Limited, in its capacity as Trustee (in such capacity, the

- 2 -

“Trustee”) appointed by Order of this Court dated October 27, 2016 (the “Trustee Appointment Order”),

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

2. **THIS COURT ORDERS** that, subject to Paragraph 8 hereof, Chaitons LLP is hereby appointed as counsel (“**Representative Counsel**”) for all Tier 1 Investors in respect of this proceeding (including, without limitation, all those who are Tier 1 Investors as a result of having RRSP or other registered funds administered by Olympia Trust Company) regarding their common interests within or among the Tier 1 Projects, unless and until written notice is provided by a particular Tier 1 Investor to Representative Counsel that such Tier 1 Investor does not wish to be represented by Representative Counsel.

3. **THIS COURT ORDERS** that Representative Counsel is hereby empowered and authorized to accept instructions with respect to this proceeding from the Investors Committee which shall be binding on the Tier 1 Investors who have not opted out pursuant to the procedure set out in paragraph 8 below.

4. **THIS COURT ORDERS** that the Trustee shall provide to Representative Counsel, without charge to the Tier 1 Investors, the following information, documents and data as may be in the Trustee’s possession or control (the “**Information**”):

- (a) the names, last known addresses and last known email addresses (if any) of the Tier 1 Investors (the “**Tier 1 Investor Information**”); and
- (b) such additional documents and information as may be specifically requested in writing by Representative Counsel and which is relevant to the Tier 1 Investors’ participation in this proceeding, or as ordered by the Court,

provided that the Trustee and its counsel may recover their time and expenses for so doing at their standard rates, and the Trustee is not required to obtain express consent from any Tier 1 Investor or other person authorizing disclosure of the Information to Representative Counsel, and

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this Order shall be sufficient to authorize the disclosure of the Information without knowledge or consent of the individual Tier 1 Investors or any other person.

5. **THIS COURT ORDERS** that all reasonable professional fees and disbursements that may be incurred by Representative Counsel, whether incurred prior to or after the date of this Order, will form part of the indebtedness owing to the Tier 1 Investors, and in the event of any disagreement regarding such fees and disbursements, such disagreement may be remitted to this Court for determination.

6. **THIS COURT ORDERS** that Representative Counsel is hereby authorized to take all steps and do all acts necessary or desirable to carry out the terms of this Order.

7. **THIS COURT ORDERS** that notice of the granting of this Order, substantially in the form attached hereto as **Schedule "B"**, shall be sent by Representative Counsel to each Tier 1 Investor by electronic or regular mail, to addresses provided pursuant to Paragraph 3(a), within seven business days of the date of receipt by Representative Counsel of the Tier 1 Investor Information, which notice shall also be posted on the Trustee's website.

8. **THIS COURT ORDERS** that any Tier 1 Investor who does not wish to be represented by Representative Counsel in these proceedings shall notify the Trustee and Representative Counsel, in writing, that he, she or it is opting out of representation by delivering a notice by electronic or regular mail substantially in the form attached as **Schedule "C"** hereto, and shall thereafter not be bound by the actions of Representative Counsel and shall represent himself, herself or itself or be represented by any counsel that he, she or it may retain exclusively at his, her or its own expense.

9. **THIS COURT ORDERS** that Representative Counsel may communicate with any Tier 1 Investor who has not opted out pursuant to Paragraph 8 hereof by electronic mail to the addresses provided pursuant to Paragraph 3(a) or such other addresses provided by the Tier 1 Investors to Representative Counsel.

10. **THIS COURT ORDERS** that the interests of all Tier 1 Investors who have not opted out pursuant to Paragraph 8 hereof shall be represented by the Investors Committee. Representative Counsel shall be entitled to consult with and seek advice from the Investors

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Committee in connection with the fulfillment of its duties in carrying out the provisions of this Order.

11. **THIS COURT ORDERS** that the Investors Committee may engage such advisors, consultants and experts as they may require to assist with the exercise of their responsibilities, including without limitation those conferred by this Order, and that any expenses incurred in engaging such parties shall form part of the indebtedness owing to the Tier 1 Investors.

12. **THIS COURT ORDERS** that any member of the Investors Committee may resign as a member thereof at any time, and that, in the event of resignation, the remaining members of the Investors Committee may appoint another Tier 1 Investor to the Investors Committee in his or her place.

13. **THIS COURT ORDERS** that neither Representative Counsel nor any member of the Investors Committee shall have any liability as a result of their appointment or the performance of their duties or in carrying out the provisions of this Order and any subsequent Orders in these proceedings, save and except for any gross negligence or willful misconduct on their part.

14. **THIS COURT ORDERS** that Representative Counsel shall be entitled to and is hereby granted a charge (the "**Representative Counsel Charge**") on the Property (as that term is defined in the Trustee Appointment Order) as security for its fees and disbursements in respect of this proceeding, both before and after the making of this Order, and that the Representative Counsel Charge shall form a charge on the Property ranking immediately subordinate in priority to the Trustee's Charge (as that term is defined in the Trustee Appointment Order).

15. **THIS COURT ORDERS** that Representative Counsel is entitled to be paid its fees and disbursements from any distributions to be made to the Tier 1 Investors in these proceedings.

16. **THIS COURT ORDERS** that Representative Counsel shall be given notice of all motions in these proceedings, and that the giving of notice to Representative Counsel shall constitute service on all of the Tier 1 Investors who have not opted out pursuant to Paragraph 8 hereof.

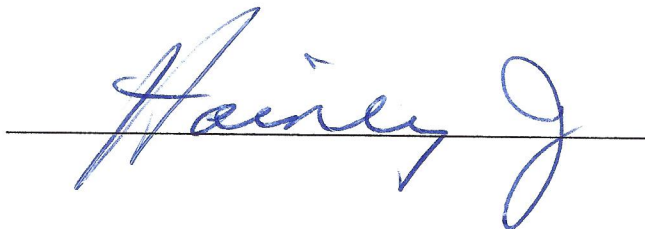


- 5 -

17. **THIS COURT ORDERS** that Representative Counsel shall be at liberty and is authorized at any time to apply to this Court for advice and directions in the performance or variation of its powers and duties.

18. **THIS COURT ORDERS** that Representative Counsel may seek its discharge if satisfactory arrangements are not made for payment of its fees and expenses.

19. **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 Representative Counsel 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 Representative Counsel, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist Representative Counsel and its agents in carrying out the terms of this Order.



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

JAN 24 2017

PER / PAR: 

**SCHEDULE "A"****Tier 1 Projects**

1. 525, 527 and 531 Princess Street, and 349 and 351 Alfred Street, Kingston, Ontario
2. 555 Princess Street, Kingston, Ontario
3. 1234, 1236, 1238, 1240, 1244 and 1246 Richmond Street, London, Ontario
4. 2168 and 2174 Ghent Avenue, Burlington, Ontario (MC Burlington)
5. 103 and 109 Garden Drive, Oakville, Ontario (MC Oakville)
6. 169 Borden Avenue North, Kitchener, Ontario (MC Kitchener)
7. 737 and 777 Silver Seven Road and 15 Frank Nighbor Place, Kanata, Ontario (Silver Seven)
8. 774 Bronson Avenue and 557 Cambridge Street South, Ottawa, Ontario
9. 16 Legacy Lane, Huntsville, Ontario
10. 3655 Kingston Road, Scarborough, Ontario (Guildwood)
11. Vaughan Crossings
12. 1606-1614 Charles Street, Whitby, Ontario (Boathaus)
13. 28 McMurray Street, Bracebridge, Ontario
14. 2701 and 2737 Keele Street, Toronto, Ontario (Keele Medical)
15. 429 and 445 Princess Street, and 208 and 210 Division Street, Kingston, Ontario
16. Highlights Mississauga Condominium and Towns

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**SCHEDULE "B"**

By Order dated January 6, 2017 (the "**Order**") granted by the Ontario Superior Court of Justice in the proceeding (the "**Trusteeship Proceeding**") commenced under Court File No. CV-16-11567-00CL by The Superintendent Of Financial Services against Textbook Student Suites (525 Princess Street) Trustee Corporation, Textbook Student Suites (555 Princess Street) Trustee Corporation, Textbook Student Suites (Ross Park) Trustee Corporation, 2223947 Ontario Limited, MC Trustee (Kitchener) Ltd., Scollard Trustee Corporation, Textbook Student Suites (774 Bronson Avenue) Trustee Corporation, 7743718 Canada Inc., Keele Medical Trustee Corporation, Textbook Student Suites (445 Princess Street) Trustee Corporation and Hazelton 4070 Dixie Road Trustee Corporation (collectively, the "**Respondents**"), Chaitons LLP was appointed as representative counsel ("**Representative Counsel**") for all Tier 1 Investors in respect of the Trusteeship Proceeding regarding their common interests within or among the Tier 1 Projects, unless and until written notice is provided by a particular Tier 1 Investor to Representative Counsel that such Tier 1 Investor does not wish to be represented by Representative Counsel. A copy of the Order is attached hereto. All capitalized terms not defined above are used as defined in the Order.

If you do not wish to be bound by the Order, you may opt-out of the group in accordance with paragraph 8 of the Order.

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## SCHEDULE "C"

Court File No. CV-16-11567-00CL

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

BETWEEN:

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

Applicant

- and -

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION, 2223947 ONTARIO LIMITED, MC TRUSTEE (KITCHENER) LTD., SCOLLARD TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION, 7743718 CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

Respondents

## OPT-OUT FORM

TO: Chaitons LLP  
5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9  
Email: [tier1@chaitons.com](mailto:tier1@chaitons.com)

I, \_\_\_\_\_, am a Tier 1 Investor as defined in the Order dated January 9, 2017 (the "Order") granted by the Ontario Superior Court of Justice (Commercial List) in the proceeding commenced under Court File No. CV-16-11567-00CL (the "Trusteeship Proceeding"), in that I invested the sum of \$ \_\_\_\_\_ with respect to the project known as \_\_\_\_\_.

Under Paragraph 8 of the Order, Tier 1 Investors who do not wish Chaitons LLP to act as their representative counsel may opt out.

I hereby notify you that I do not wish to be bound by the Order and will be represented as an independent individual party at my own expense to the extent I wish to appear or participate in the Trusteeship Proceeding.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name:

THE SUPERINTENDENT OF FINANCIAL SERVICES  
Applicant

v. TEXTBOOK STUDENT SUITES (525 PRINCESS STREET)  
TRUSTEE CORPORATION et al

Respondents

Court File No. CV-16-11567-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at Toronto

**ORDER**

**CHAITONS LLP**  
5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

**Harvey Chaiton (LSUC #21592F)**  
Tel: 416-218-1129  
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**Lawyers for the Investors Committee**

# TAB D

Court File No. CV-17-11670EL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST



THE HONOURABLE

JUSTICE CONWAY

)  
)  
)

TUESDAY, THE 14TH

DAY OF FEBRUARY, 2017

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

VAUGHAN CROSSINGS INC.

Respondent

**ORDER**

(appointing Receiver)

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Ira Smith Trustee & Receiver Inc. ("ISI") as receiver (in such capacities, the "Receiver") without security, of the lands and premises owned by Vaughan Crossings Inc. (the "Debtor") that is legally described in Schedule "A-1" hereto (the "Lands") and for other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Baratz sworn January 19, 2017 and the Exhibits thereto, the Report of ISI dated January 19, 2017, (the "First ISI Report") and the Supplementary Report of ISI dated February 13, 2017 (the "Supplementary First ISI Report") and on hearing the submissions of counsel present, no one else appearing although duly served as appears from the *and the Fifth Report of the Trustee dated January 23, 2017*

affidavit of service filed , and on reading the consent of Ira Smith Trustee & Receiver Inc. to act as the Receiver,

### **SERVICE**

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

### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Ira Smith Trustee & Receiver Inc. is hereby appointed Receiver, without security, of all of the assets and undertakings of the Lands and of all plans, permits, agreements, improvements and other personal property owned and leased by the Debtor and relating to the Lands or the development and sale 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 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 in respect of the Lands, 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 in respect of the Lands;
- (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 in respect of the Lands or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor in respect of the Lands and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor with respect to the Lands;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor in respect of the Lands;
- (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 assessments of the Lands;
- (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 in respect of the Lands, 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 in accordance with Sales Process as outlined in the First ISI Report and modified by the Supplementary First ISI Report provided that the Receiver shall not be able to retain the broker described therein before March 1, 2017, 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 in respect of the Property;
- (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 with respect to 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.

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

#### **NON-APPLICATION OF ORDER RE LEASEHOLD LANDS AND RIGHTS OF LANDLORD/OWNER**

11. THIS COURT ORDERS that notwithstanding anything else contained in this Order:

- (a) the "Property" specifically does not include any interest which the Debtor may have in the premises and lands set out herein at Schedule "A-2" (the "Leasehold Lands");
- (b) nothing herein shall operate to prevent the landlord or owner of the Leasehold Lands from terminating or enforcing any rights pursuant to any lease, agreement, contract or arrangement with the Debtor which relates to or concerns the Leasehold Lands;
- (c) except as provided for specifically under this paragraph, the stay of proceedings as set out in paragraphs 7 to 9 of this Order apply in respect of the Debtor, Receiver and Property.

#### **CONTINUATION OF SERVICES**

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

#### **RECEIVER TO HOLD FUNDS**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the

collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### **EMPLOYEES**

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

#### **PIPEDA**

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this



Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

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

#### **FUNDING OF THE RECEIVERSHIP**

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

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

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

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

#### SERVICE AND NOTICE

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

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

**RETENTION OF LAWYERS**

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

**GENERAL**

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

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

31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or,

if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

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**SCHEDULE A-1****LEGAL DESCRIPTION OF LANDS**

PIN 03274-0103 LT

PT LT 24 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PTS 10 & 11 64R7307  
EXCEPT PT 1 EXPROP PL R650078; S/T VA84766 ASSIGNED BY R312155; VAUGHAN

PIN 03274- 0104 LT

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1, 65R14039;  
VAUGHAN

**SCHEDULE A-2****LEGAL DESCRIPTION OF LEASEHOLD LANDS**

PIN 03274-0106 LT

PT LT 28 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 2 65R11525; CITY OF  
VAUGHAN

PIN 03274-0107 LT

LT 27 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN; CITY OF VAUGHAN

PIN 03274-0185 LT

PT LT 22 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1 65R8928; S/T TEMP  
EASE FOR A TERM OF 5 YRS COMMENCING ON REGISTRATION OF THIS PLAN  
OVER PT 5, YR2275120 AS IN YR2275120;; CITY OF VAUGHAN

PIN 03274-0186 LT

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 2 65R14039; PT LTS 25  
& 26 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 3 65R14039 EXCEPT PT 1,  
65R8928; S/T VA84765 ASSIGNED BY R312155; CITY OF VAUGHAN

**SCHEDULE "B"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] 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 \_\_\_ day of \_\_\_\_\_, 20\_\_ (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 \_\_\_\_\_, 20\_\_.

[RECEIVER'S NAME], solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

17627.0004/9583197\_1

**VECTOR FINANCIAL SERVICES LIMITED**  
Applicant

-and-

**VAUGHAN CROSSINGS INC.**  
Respondent

Court File No. **CV-17-11670-00CL**

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

**PROCEEDING COMMENCED AT**  
**TORONTO**

~~Change~~

*ORDER*

**NOTICE OF APPLICATION**

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

**David A. Brooker (35787W)**  
Email: [dbrooker@sthilaw.com](mailto:dbrooker@sthilaw.com)  
Tel: 416-225-2777  
Fax: 416-225-7112

Lawyers for the Applicant

RCP-E 4C (July 1, 2007)



**VECTOR FINANCIAL SERVICES LIMITED**  
Applicant

-and-

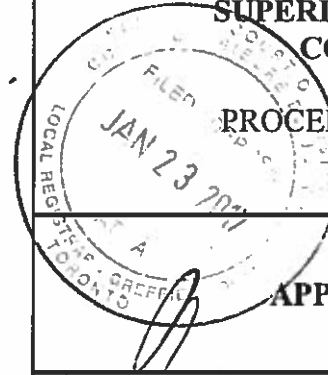
Jan 26/17 **VAUGHAN CROSSINGS INC.**  
Respondent

Court File No. CV-17-11670-00CL

Feb 14/17

Endorsement as per attached  
which provides for order attached  
thereto (or a variation thereof)  
to take effect March 1/17 1st  
supp report has been validly filed  
of P of the Receiver

Conway J



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

PROCEEDING COMMENCED AT  
TORONTO

APPLICATION RECORD

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

**David A. Brooker (35787W)**  
Email: [dbrooker@sthilaw.com](mailto:dbrooker@sthilaw.com)  
Tel: 416-225-2777  
Fax: 416-225-7112

Lawyers for the Applicant

Attached Orders to go on March 1, 2017, substantively in Schedule A the form provided today by the Applicant's counsel, to allow time to execute an agreement of purchase and sale (subject to Court approval) in respect of the transaction contemplated at paragraph 14 of the Supplementary First Report of the Putative Receiver dated February 13, 2017.

If such agreement has been executed by March 1, 2017, the parties will return to Court to seek the approval of the transaction and the attached orders shall be varied accordingly.

If such agreement has not been executed by March 1, 2017 the Receiver shall be free to pursue other opportunities for the Property as of such date, including the sale process contemplated by the First Report of the Receiver dated January 19, 2017 and as set out in the attached Order.

# TAB E

**AGREEMENT OF PURCHASE AND SALE**

**THIS AGREEMENT made this 23rd day of March, 2017.**

**B E T W E E N:**

**IRA SMITH TRUSTEE & RECEIVER INC.,  
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF THE REAL  
PROPERTY OWNED BY VAUGHAN CROSSINGS INC.**

(hereinafter called the “Vendor”)

**OF THE FIRST PART;**

- and -

**SCOLLARD TRUSTEE CORPORATION  
IN TRUST FOR A CORPORATION TO BE FORMED**

(hereinafter called the “Purchaser”)

**OF THE SECOND PART;**

- and -

**SCOLLARD TRUSTEE CORPORATION**

(hereinafter called “STC”)

**OF THE THIRD PART.**

**ARTICLE I - THE LAND**

**1.01            Lands**

The Purchaser, or its permitted assignee, in accordance with Section 12.04 of this Agreement, agrees to purchase from the Vendor and the Vendor agrees to sell to the Purchaser, or its permitted assignee, the lands and buildings in the City of Vaughan, in the Regional Municipality of York, legally described as follows:

**Firstly**

PT LT 24 REGISTRAR’S COMPILED PLAN 10309 VAUGHAN PTS 10 & 11  
64R7307 EXCEPT PT 1 EXPROP PL R650078; S/T VA84766 ASSIGNED BY  
R312155; VAUGHAN

PIN 03274–0103 (LT)

Secondly

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1, 65R14039;  
VAUGHAN

PIN 03274-0104 (LT)

(hereinafter collectively called the "**Real Property**").

**ARTICLE II -THE PURCHASE PRICE**

2.01 Purchase Price

The Purchase Price of the Real Property shall be the sum of **FIFTEEN MILLION DOLLARS (\$15,000,000.00)** (hereinafter called the "**Purchase Price**"), and shall be satisfied as follows:

- (a) Deposit – The sum of **TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00)** (the "**Deposit**"), shall be paid by certified cheque, bank draft of wire transfer (the bank fee for receipt of which shall be paid by the Vendor), payable to Steinberg Title Hope & Israel LLP, in trust (the "**Vendor's Solicitors**") within four business days of the execution of this Agreement as a deposit to be held in trust pending completion of the transaction contemplated in, or termination of, this Agreement and to be credited against the Purchase Price on the Closing Date, which deposit is fully refundable without interest or deduction to the Purchaser, or its permitted assignee, in the event that the Court does not grant the Real Property Appointment Order or in the event that the Court does not grant the Approval and Vesting Order pursuant to Section 4.03 of this Agreement.
- (b) Reduction of STC's Existing Charge – The further sum of **TWO MILLION EIGHT HUNDRED TWENTY THOUSAND DOLLARS (\$2,820,000.00)** shall be satisfied on the Closing Date by a reduction of such amount from the amount then outstanding on the charge registered as Instrument Number YR2048941 on title to the Real Property in favour of STC ("**STC's Existing Charge**"), the principal registered amount for which STC's Existing Charge is **FOURTEEN MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$14,800,000.00)**.
- (c) Cash Closing Payment – The further sum of **ELEVEN MILLION NINE HUNDRED THIRTY THOUSAND DOLLARS (\$11,930,000.00)** (the "**Cash Closing Payment**"), by certified cheque, bank draft of wire transfer (the bank fee for receipt of which shall be paid by the Vendor), payable to the Vendor on the Closing Date, subject to the usual adjustments and the payment of any other amounts payable pursuant to the terms of this Agreement.
- (d) Harmonized Sales Tax – To the extent that the transaction contemplated in this Agreement is subject to the HST levied pursuant to the HST Legislation,

such tax shall be in addition to, and not included in, the Purchase Price.

### ARTICLE III - CLOSING DATE

#### 3.01 Closing Date

“**Closing Date**” herein means the date which is ten calendar days following the date on which the Court grants the Approval and Vesting Order pursuant to Section 4.03 of this Agreement, but which Closing Date shall under no circumstances occur later than April 18, 2017 unless otherwise agreed amongst the parties hereto. Without limiting the generality of the foregoing, the Closing Date will occur at the earliest date possible having regard to Court scheduling and the satisfaction of Section 4.03 of this Agreement.

### ARTICLE IV – CONDITIONS

#### 4.01 Withdrawal Condition

[Intentionally deleted.]

#### 4.02 Assignment to Downing Street

The Vendor acknowledges and agrees that the Purchaser has assigned this Agreement as security for the obligations of the Purchaser to Downing Street Financial Inc., in Trust (the “**Lender**”) and Downing Street Financial Inc. (and together with the Lender, “**Downing Street**”), including the Purchaser’s right to any return of the Deposit, to Downing Street and the Vendor further agrees that it will return the Deposit to Downing Street in the event that the Deposit is, under any provision of this Agreement, to be returned to the Purchaser (subject only to the circumstance provided in section 4.03 hereof where Downing Street has forfeited its right to the Deposit).

#### 4.03 Court-Appointed Receiver and Court Approval Condition

The completion of the transaction contemplated in this Agreement shall be subject to the following:

- (a) appointment of the Vendor, or a successor of the Vendor, by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) as the Court-appointed receiver of the Real Property (the “**Real Property Appointment Order**”); and
- (b) the approval of the Commitment (as defined herein) and this Agreement by the Court and the absolute vesting by the Court, upon closing of the transaction contemplated in this Agreement (and in a form substantively similar to the Model Approval and Vesting Order of the Court), of all of the Vendor’s and Vaughan Crossings Inc.’s right, title and interest in and to the Real Property, free and clear of and from any and all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges or other financial or monetary claims, whether or not they have attached or been perfected, registered

or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”), including, without limiting the generality of the foregoing, those created pursuant to: (i) the Order of the Honourable Justice Newbould dated October 27, 2016 appointing Grant Thornton Limited as the Court-appointed trustee (in such capacity, the “**Trustee**”) of Scollard Trustee Corporation and other entities (the “**Trustee Appointment Order**”); (ii) the Real Property Appointment Order; (iii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iv) those Claims registered on title or pertaining to the Real Property, including, without limitation, all instruments registered in favour of or benefitting Vaughan Crossings Inc., Vector Financial Services Limited, the Purchaser, Olympia Trust Company, Sora Construction Ltd., Triaxis Construction Limited, Kohn Partnership Architects Inc., 2388208 Ontario Incorporated, Chaitons LLP, Breakwall Financial Corp. and Tier 1 Transaction Advisory Services Inc. (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include those Claims referenced in Section 7.03 of this Agreement or those encumbrances listed on **Schedule “A”** hereto), and, for greater certainty, the Court ordering and declaring that, upon closing of the transaction contemplated in this Agreement, all the Encumbrances affecting or relating to the Real Property are expunged and discharged as against the Real Property and are non-enforceable and non-binding as against the Purchaser (collectively, the “**Approval and Vesting Order**”).

In the event that the Vendor cannot obtain the Real Property Appointment Order or the Approval and Vesting Order, or in the event that the closing of the transaction contemplated by this Agreement does not occur by April 18, 2016 for any reason other than Downing Street being in default under its mortgage commitment letter with the Purchaser (the “**Commitment**”), then, subject to section 4.04 of this Agreement, the Deposit shall be returned by the Vendor to Downing Street, in full without interest or deduction, in accordance with Section 4.02 of this Agreement, and thereafter all parties hereto shall be released from all liability arising from this Agreement.

#### 4.04 No Further Agreement Condition

If for any reason, after acceptance of this Agreement by the Vendor and issuance by the Court of the Real Property Appointment Order and the Approval and Vesting Order, the Purchaser does not complete the purchase of the Real Property on or before the Closing Date, the Vendor shall give notice thereof to Downing Street and Downing Street shall have a ten (10) day period after receipt of such notice to complete the purchase of the Real Property on the terms and conditions set out herein (except that Downing Street or its assignee shall be the Purchaser) and with full credit for the Deposit.

## ARTICLE V - PURCHASER'S COVENANTS

### 5.01 Corporate Status

The Purchaser, or its permitted assignee, is a corporation duly incorporated and subsisting under the laws of Ontario, is an HST registrant and has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement.

### 5.02 Authorization

The Purchaser's execution and delivery of this Agreement and its consummation of the transaction contemplated in this Agreement has been duly authorized by all necessary corporate action.

### 5.03 Adjustments

All adjustments, including realty taxes, local improvement rates, municipal/provincial levies and charges, water and assessment rates, utilities, fuel costs and any other items which are usually adjusted in purchase transactions involving commercial properties shall be adjusted as at the Closing Date. From and after the Closing Date, the Purchaser, or its permitted assignee, covenants and agrees that it shall pay all amounts relating to the Real Property, including realty taxes, rates and assessments. Realty taxes shall be estimated by the Vendor for the calendar year in which the closing date falls and shall be adjusted as if they had been paid in full by the Vendor and as if the Real Property had been separately assessed, subject to readjustment, when the actual assessment for the Real Property is available, and the Purchaser, or its permitted assignee, shall reimburse the Vendor for any taxes required to be paid by the Vendor to the municipality in excess of the amount so adjusted.

### 5.04 Covenant to Pay

The Purchaser, or its permitted assignee, covenants and agrees with the Vendor to satisfy the Purchase Price plus HST, and all other monies to be satisfied under this Agreement, on the dates and in the manner specified in this Agreement and to otherwise observe, perform and comply with the covenants, conditions, terms and provisions of this Agreement.

### 5.05 Harmonized Sales Tax

The Purchaser, or its permitted assignee, shall have the full responsibility for the payment of the HST exigible pursuant to the HST Legislation with respect to the transaction contemplated in this Agreement. If the Purchaser, or its permitted assignee, is a "prescribed recipient" under the HST Legislation and is registered under the HST Legislation, then the Purchaser, or its permitted assignee, shall provide the Vendor, not less than five (5) days prior to the Closing Date, with a certificate in the form prescribed by the HST Legislation certifying that the Purchaser, or its permitted assignee, shall be liable for, shall self-assess and shall remit to the appropriate government authority all HST payable in respect of the transaction contemplated hereunder. The certificate shall include the registration number assigned to the Purchaser, or its permitted assignee, under the provisions of the HST Legislation, together with an undertaking to



indemnify and save harmless the Vendor from all claims, liabilities, penalties, interest, costs and expenses incurred, directly or indirectly, with respect to the Vendor's obligation to collect and remit HST in connection with the transaction contemplated in this Agreement, failing which the Purchaser, or its permitted assignee, shall deliver to the Vendor on the Closing Date, a certified cheque, bank draft or wire transfer (the bank fee for receipt of which shall be paid by the Vendor) in the amount of the HST payable by the Vendor in connection with this transaction. For the purposes of this Section, "**HST Legislation**" means Part IX of the Excise Tax Act (Canada), as amended from time to time and "**HST**" includes all taxes, interest and penalty imposed under the HST Legislation.

5.06 Land Transfer Tax

The Purchaser, or its permitted assignee, shall pay the land transfer tax payable on the transfer of the Real Property from the Vendor to the Purchaser, or its permitted assignee.

5.07 Repairs After Inspection

The Purchaser, or its permitted assignee, covenants and agrees to repair or pay the cost of repair of any damage occasioned during or resulting from the inspection of the Real Property conducted by the Purchaser, or its permitted assignee, or its authorized representatives as outlined in Section 6.01 below and to return the Real Property to the same condition it was in prior to such inspections.

5.08 No Registration

Subject to the registration on title to the Real Property of the Trustee Appointment Order, the Purchaser, or its permitted assignee, covenants and agrees that, at no time prior to the Closing Date, shall the Purchaser, or its permitted assignee, register or permit to be registered on title to the Real Property, this Agreement, a notice of assignment or transfer thereof or a caution. If the said registration is not removed within three (3) days of the Vendor notifying the Purchaser, or its permitted assignee, or its solicitor in writing to do so, then the Purchaser, or its permitted assignee, by the execution of this Agreement, hereby expressly appoints the Vendor as its lawful attorney to execute any transfers, releases or applications to have the said registration removed, released or deleted from the title to the Real Property.

5.09 Assignment of Agreement

If the Purchaser assigns any of its rights or obligations arising under this Agreement in accordance with Section 12.04 below, the Purchaser and such assignee shall have executed and delivered to the Receiver an assignment and assumption agreement (pursuant to which the Purchaser shall remain jointly and severally liable) satisfactory to the Receiver, acting reasonably.

**ARTICLE VI - VENDOR'S COVENANTS**

6.01 Authority

The Vendor is presently a privately-appointed receiver and manager of the Real Property (subject to the Vendor obtaining the Real Property Appointment Order from the Court to become the Court-appointed receiver and manager of the Real Property), and, subject to the issuance

of the Real Property Appointment Order and the Approval and Vesting Order by the Court, has the power, authority and capacity to enter into this Agreement and to carry out the transaction contemplated in this Agreement.

6.02 Residence

The Vendor is neither a “non-resident” of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada) (the “**Act**”) nor an agent or trustee of a “non-resident” of Canada.

6.03 Inspections

[Intentionally deleted.]

6.04 Transfer of Title

On the Closing Date, the Vendor shall transfer title to the Real Property by way of the Approval and Vesting Order to the Purchaser, or its permitted assignee, which Approval and Vesting Order shall contain such reasonable covenants as the Purchaser, or its permitted assignee, may require pursuant to this Agreement and which shall be registered by the Purchaser, or its permitted assignee, at its expense.

6.05 Distribution of Sale Proceeds

The Deposit and the Cash Closing Payment are to discharge any and all Encumbrances, as evidenced by the Approval and Vesting Order. For greater certainty, and without limiting the generality of the foregoing: (i) the sums of \$130,000 and \$210,000, respectively, are to be made available to satisfy the professional fees and disbursements (including legal fees and disbursements) of the Vendor and the Trustee, respectively; and (ii) the sums of \$9,500,000, \$1,646,633, \$182,655, \$170,712, \$50,000, \$150,000, \$25,000 and \$35,000, respectively, are to be made available to satisfy any and all interests in or relating to the Real Property of Vector Financial Services Limited, Sora Construction Ltd., Triaxis Construction Limited, Kohn Partnership Architects Inc., 2388208 Ontario Incorporated, Breakwall Financial Corp., Chaitons LLP and Tier 1 Transaction Advisory Services Inc., respectively, which interests shall all be discharged from title and extinguished, and, subject to the terms of this Agreement being satisfied, the Trustee, in its capacity as the Court-appointed trustee of STC, hereby irrevocably directs the Vendor to make such payments on the Closing Date.

## ARTICLE VII - TITLE

7.01 Documents

The Purchaser, or its permitted assignee, shall not request the production from the Vendor of any title deed, abstract, survey or other evidence of title to the Real Property except for such documents which are in the possession or control of Vendor. If requested by the Purchaser, or its permitted assignee, the Vendor will deliver any sketch or survey of the Real Property within the Vendor's control to the Purchaser, or its permitted assignee, as soon as possible and prior to the Closing Date.

The Vendor hereby consents to the municipality or other governmental or quasi-governmental authorities releasing to the Purchaser, or its permitted assignee, details of all outstanding work orders affecting the Real Property, and the Vendor agrees to execute and deliver such further authorizations in this regard to the appropriate municipal building department, zoning department, fire department, electrical department and all other governmental or quasi-governmental authorities as the Purchaser, or its permitted assignee, may require authorizing the release of any and all information on file in respect of the Real Property.

7.02            Title and Encroachments

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

7.03            Purchaser's Acknowledgments

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

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

value, state or condition of the Real Property, whether or not the matter is within the knowledge or imputed knowledge of the Vendor, its officers, employees, directors, agents, representatives and contractors; and

- h) the Vendor has made no representations or warranties with respect to or in any way related to the Real Property, including without limitation, the following:
1. the title, quality, quantity, marketability, zoning, fitness for any purpose, state, condition, encumbrances, description, present or future use, value, location or any other matter or thing whatsoever related to the Real Property, either stated or implied; and
  2. the environmental state of the Real Property, the existence, nature, kind, state or identity of any hazardous substances on, under, or about the Real Property, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under the *Environmental Protection Act* (Ontario), or any other statute, regulation, rule or provision of law and the existence, state, nature, kind, identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any hazardous substances whether on, under or about the Real Property or elsewhere.

#### 7.04 Indemnification

The Purchaser shall indemnify and save harmless the Vendor and its directors, officers, employees and agents (collectively, the “**Indemnitees**”) from and against any and all liabilities, obligations, losses, damages, penalties, notices, judgments, suits, claims, demands, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of or in connection with the operations of the Purchaser on the Real Property or any order, notice, directive, or requirement under, or breaches, violations or non-compliance with any Environmental Laws after the Closing Date or as a result of the disposal, storage, release or threat of release or spill on or about the Real Property of any hazardous substance after the Closing Date. For the purposes of the foregoing, “**Environmental Laws**” shall mean all requirements under or prescribed by common law and all federal, provincial, regional, municipal and local laws, rules, statutes, ordinances, regulations, guidelines, directives, notices and orders from time to time with respect to the discharge, generation, removal, storage or handling of any hazardous substance. The obligation of the Purchaser hereunder shall survive the Closing Date.

The Purchaser shall indemnify the Vendor and save harmless the Indemnitees from and against any and all liabilities, obligations, losses, damages, penalties, notices, judgments, suits, claims, demands, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of

or in connection with the failure of the Purchaser to pay any taxes, duties, fees and like charges exigible in connection with the Agreement. It shall be the Purchaser's sole responsibility to obtain, and pay the cost of obtaining, any consents, permits, licenses or other authorizations necessary or desirable for the transfer to the Purchaser of the Real Property.

7.05            Release

The Purchaser agrees to release and discharge the Vendor together with its officers, employees, agents and representatives from every claim of any kind that the Purchaser may make, suffer, sustain or incur in regard to any hazardous substance relating to the Real Property. The Purchaser further agrees that the Purchaser will not, directly or indirectly, attempt to compel the Vendor to clean up or remove or pay for the cleanup or removal of any hazardous substance, remediate any condition or matter in, on, under or in the vicinity of the Real Property or seek an abatement in the Purchase Price or damages in connection with any hazardous substance. This provision shall not expire with, or be terminated or extinguished by or merged in the Closing of the transaction of purchase and sale contemplated by this Agreement, and shall survive the termination of this Agreement for any reason or cause whatsoever and the closing of such transaction.

**ARTICLE VIII - POSSESSION**

8.01            Possession

After the Closing Date, the Purchaser, or its permitted assignee, shall have the right to exclusive possession of the Real Property.

**ARTICLE IX - PURCHASER'S CLOSING DELIVERIES**

9.01            Purchaser's Closing Deliveries

The Purchaser, or its permitted assignee, covenants to execute, where applicable, and deliver the following to the Vendor on or before the Closing Date:

- (a)    Direction re: Title – a direction designating the transferee in the Approval and Vesting Order;
- (b)    Undertaking to Re-Adjust – an undertaking to re-adjust any item on or omitted from the statement of adjustments; and
- (c)    HST Indemnity – an undertaking to self-assess for HST and indemnify for any HST payable by the Purchaser.

**ARTICLE X - VENDOR'S CLOSING DELIVERIES**

10.01          Vendor's Closing Deliveries

The Vendor covenants to execute, where applicable, and deliver the following to the Purchaser, or its permitted assignee, on or before the Closing Date:

- (a) The Real Property Appointment Order;
- (b) The Approval and Vesting Order;
- (c) Statement of Adjustments – a statement of adjustments to be delivered not less than five (5) business days before the Closing Date;
- (d) Direction re: Funds – a direction designating the party or parties to which the balance of the Purchase Price shall be paid;
- (e) Undertaking to Re-Adjust – an undertaking to re-adjust any item on or omitted from the statement of adjustments;
- (f) Non-Residence Certificate – a certificate indicating that the Vendor is not a “non-resident” of Canada within the meaning and purpose of Section 116 of the Act and is not the agent nor trustee of a “non-resident” of Canada;
- (g) Keys, security cards, fobs and security combinations or passcodes relating to the Real Property;
- (h) Vacant Possession of the Real Property;
- (i) All surveys of the Real Property;
- (j) All environmental reports relating to the Real Property; and
- (k) Such further documents as reasonably required by the Purchaser, or its permitted assignee.

### **ARTICLE XI - INSURANCE**

#### 11.01 Insurance

All improvements placed upon or in the Real Property shall become fixtures and shall not be removed or destroyed by the Vendor.

All buildings on the Real Property and all other things being purchased shall be and remain until closing of the transaction contemplated hereby at the risk of the Vendor. Pending completion, the Vendor shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, the Purchaser, or its permitted assignee, may either terminate this Agreement and have all monies paid returned, without interest or deduction, or take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion.

### **ARTICLE XII - MISCELLANEOUS**

#### 12.01 Time of the Essence

Time shall be of the essence in all respects of this Agreement provided that the time

for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser, or its permitted assignee, or by their respective lawyers who may be specifically authorized in that regard.

12.02            Notice

Any notice, statement, document or other communication required to be given to any party or parties pursuant to the provisions of this Agreement shall be sufficiently given if such notice, statement, document or other communication is in writing and is delivered to such party or parties or sent by prepaid registered mail, facsimile transmission or email transmission addressed to such other party or parties as follows:

|                              |   |
|------------------------------|---|
| To the Vendor:               | <p>Ira Smith Trustee &amp; Receiver Inc.<br/>167 Applewood Cres. Suite 6<br/>Concord, ON L4K 4K7</p> <p>Attention: Ira Smith</p> <p>Phone: (905) 738-4167 ext. 111<br/>Fax: (905) 738-9848<br/>Email: <a href="mailto:ira@irasmithinc.com">ira@irasmithinc.com</a></p>  |
| With a copy to:              | <p>Steinberg Title Hope &amp; Israel LLP<br/>5255 Yonge Street, Suite 1100<br/>Toronto, ON M2N 6P4</p> <p>Attention: David Brooker</p> <p>Phone: (416) 225-2777 ext. 214<br/>Fax: (416) 225-7112<br/>Email: <a href="mailto:dbrooker@sthilaw.com">dbrooker@sthilaw.com</a></p>  |
| To the Purchaser and to STC: | <p>Scollard Trustee Corporation<br/>c/o Grant Thornton Limited, in its capacity as the<br/>Court-appointed trustee of Scollard Trustee<br/>Corporation<br/>11th Floor, 200 King Street West<br/>Toronto, ON M5H 3T4</p> <p>Attention: Jonathan Krieger &amp; David Goldband</p> <p>Phone: (416) 369-6446<br/>Fax: (416) 360-4949<br/>Email: <a href="mailto:jonathan.krieger@ca.gt.com">jonathan.krieger@ca.gt.com</a> &amp;<br/><a href="mailto:david.goldband@ca.gt.com">david.goldband@ca.gt.com</a></p> |
| With a copy to:              | <p>Aird &amp; Berlis LLP<br/>Brookfield Place</p>   |

181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

Attention: Steven Graff, Ian Aversa & Jeremy Nemers

Phone: (416) 863-1500

Fax: (416) 863-1515

Email: [sgraff@airdberlis.com](mailto:sgraff@airdberlis.com), [iaversa@airdberlis.com](mailto:iaversa@airdberlis.com)  
& [jnemers@airdberlis.com](mailto:jnemers@airdberlis.com)

or to such other address within the Province of Ontario for such party or parties as any of them may give to the other in writing from time to time and any such notice, statement, document or other communication shall be deemed to have been received by such other party when delivered to it, personally or by facsimile or email transmission, or if mailed as aforesaid, on the third business day following the day on which it was mailed, provided that in the event that at the time that any notice, statement, document or other communication is desired to be given by any party, the post office is on strike or if postal delivery is interrupted, such notice, statement, document or other communication shall be delivered personally or by facsimile or email transmission and the provisions with respect to notice by registered mail shall not be applicable.

#### 12.03 Planning Act

This Agreement shall be effective only if the relevant provisions of the *Planning Act* (Ontario) are complied with prior to the Closing Date.

#### 12.04 Assignment by Purchaser

The Purchaser shall be permitted to assign this Agreement or any of its rights or obligations under this Agreement to an assignee provided that: (a) notice of such assignment is provided to the Vendor; (b) such assignee agrees to be bound by the terms of this Agreement (provided that, in the case of the assignment of this Agreement to Downing Street as security, Downing Street's liability under this Agreement shall be conditional upon (i) it exercising its rights under its security from the Purchaser and exercising the rights of the Purchaser hereunder or (ii) it exercising its rights under Section 4.04); and (c) such assignment shall not release the Purchaser, jointly or severally, from any obligation or liability for performance of the Purchaser's obligations under this Agreement, subject to the terms and conditions provided for in this Agreement. The Vendor acknowledges receipt of notice from the Purchaser that this Agreement has been assigned by the Purchaser to Downing Street as security for the obligations of the Purchaser to Downing Street. The Vendor agrees to execute an acknowledgment to Downing Street of such assignment at the request of, and in form and content satisfactory to, Downing Street.

#### 12.05 Commissions

The Vendor shall be responsible for paying any commission or other remuneration payable to any agent retained by the Vendor in connection with the sale of the Property and the Vendor agrees to indemnify and save harmless the Purchaser from any claim for such commission or other remuneration.



12.06        Headings

The headings in this Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provisions hereof.

12.07        No Other Representations

It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Real Property or supported thereby other than as expressed herein in writing.

12.08        Severable Covenants

If any provision of this Agreement or the application thereof to any circumstances shall be held to be invalid or unenforceable, then the remaining provisions of this Agreement or the application thereof to other circumstances shall not be affected thereby and shall be valid and unenforceable to the fullest extent permitted by law.

12.09        Governing Law

This Agreement is made pursuant to and shall be governed by and in accordance with the laws of the Province of Ontario.

12.10        Capacity of Receiver

The Vendor, by acceptance of this Agreement, is entering into this Agreement solely in its capacity as the Court-appointed Receiver of certain assets and properties of Vaughan Crossings Inc., and not in its personal or any other capacity. Any claim against the Receiver shall be limited to and only enforceable against such assets or any part thereof then held by or available to it in its said capacity, and shall not apply to its personal property and/or assets held by it in any other capacity. The Vendor shall have no personal or corporate liability of any kind, whether in contract, in tort or otherwise. The term "Vendor" as used in this Agreement does not include or refer to the present registered owner of the Real Property and its officers, directors, employees and/or agents.

12.11        Counterparts, etc.

This Agreement may be signed in any number of counterparts and by different parties in separate counterparts, with the same effect as if the signatures of all parties were upon the same instrument, provided each party signs at least one such counterpart. When so executed and delivered, each such counterpart shall be deemed to constitute an original, but all such counterparts, taken together, shall constitute one and the same instrument and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

12.12        Acceptance

This Agreement shall be null and void and of no effect unless it shall have been executed by both parties hereto on or prior to the 23rd day of March, 2017, which shall be the

effective date of this Agreement.


**[Signature page follows.]**

IN WITNESS WHEREOF the Purchaser has executed this Agreement this 23rd day of March, 2017.

**SCOLLARD TRUSTEE CORPORATION  
IN TRUST FOR A CORPORATION TO BE  
FORMED**

**BY GRANT THORNTON LIMITED, IN  
ITS CAPACITY AS THE COURT-  
APPOINTED TRUSTEE OF SCOLLARD  
TRUSTEE CORPORATION**

Per:

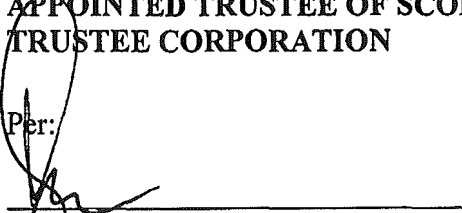
  
Name: Jonathan Krieger  
Title: ~~Partner~~ **SR. VICE PRESIDENT**

IN WITNESS WHEREOF STC has executed this Agreement this 23rd day of March, 2017.

**SCOLLARD TRUSTEE CORPORATION**

**BY GRANT THORNTON LIMITED, IN  
ITS CAPACITY AS THE COURT-  
APPOINTED TRUSTEE OF SCOLLARD  
TRUSTEE CORPORATION**

Per:

  
Name: Jonathan Krieger  
Title: ~~Partner~~ **SR. VICE PRESIDENT**

The Vendor hereby accepts the terms and conditions of this Agreement and agrees to duly carry out the same and will accept the Deposit as set forth in Section 2.01(a).

**IN WITNESS WHEREOF** the Vendor has executed this Agreement this 23rd day of March, 2017.

**IRA SMITH TRUSTEE & RECEIVER  
INC., IN ITS CAPACITY AS THE COURT-  
APPOINTED RECEIVER OF THE REAL  
PROPERTY OWNED BY VAUGHAN  
CROSSINGS INC.**

Per:



\_\_\_\_\_  
Name: Ira Smith

Title: President

**SCHEDULE "A"**  
**PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS**

1. Firstly: PIN 03274-0103 (LT)
  - (a) Instrument No. 64R7307 being a Plan of Reference registered December 1, 1978.
  - (b) Instrument No. VA84766 being a Transfer Easement registered March 13, 1980 in favour of Ministry of Government Services.
  - (c) Instrument No. R312155 being an Assignment General registered March 23, 1983.
  - (d) Instrument No. 65R11525 being a being a Plan of Reference registered February 3, 1988.
  
2. Secondly: PIN 03274-0104 (LT)
  - (a) Instrument No. 64R7307 being a Plan of Reference registered December 1, 1978.
  - (b) Instrument No. 65R11525 being a being a Plan of Reference registered February 3, 1988.
  - (c) Instrument No. 65R14039 being a being a Plan of Reference registered February 2, 1990.

# TAB F

|                                      |  |  |                  |                             |
|--------------------------------------|--|--|------------------|-----------------------------|
|                                      |  |  |                  |                             |
|                                      |  |  |                  |                             |
|                                      |  |  |                  | <b>Per amounts in APS</b>   |
|                                      |  |  |                  | <b>dated March 23, 2017</b> |
|                                      |  |  |                  |                             |
| Gross sales price:                   |  |  |                  | \$ 15,000,000.00            |
|                                      |  |  |                  |                             |
| Less:                                |  |  |                  |                             |
| Credit bid                           |  |  | \$2,820,000.00   |                             |
| ISI AND STHI                         |  |  | 130,000.00       |                             |
| GTL AND A&B                          |  |  | 210,000.00       |                             |
| Vector                               |  |  | 9,500,000.00     |                             |
| Sora Construction                    |  |  | 1,646,633.00     |                             |
| Triaxis Construction                 |  |  | 182,655.00       |                             |
| Kohn Partnership Architects          |  |  | 170,712.00       |                             |
| 2388208 Ontario Incorporated (Ronen) |  |  | 50,000.00        |                             |
| Property Tax arrears (estimated)     |  |  | 80,000.00        |                             |
| Breakwall Financial Corp.            |  |  | 150,000.00       |                             |
| Chaitons LLP                         |  |  | 25,000.00        |                             |
| Tier 1 Transaction Advisory Services |  |  | <u>35,000.00</u> |                             |
|                                      |  |  |                  | <u>15,000,000.00</u>        |
|                                      |  |  |                  |                             |
|                                      |  |  |                  | <u>-</u>                    |

# TAB G



From: Don Steeves <donsteeves@rogers.com>

Date: March 24, 2017 at 6:58:29 PM EDT

To: "dbrooker@sthilaw.com" <dbrooker@sthilaw.com>, "rbmelvin@rprlaw.com" <'rbmelvin@rprlaw.com>, "sjeffery@blaney.com" <sjeffery@blaney.com>, "dennis@breakwall.com" <dennis@breakwall.com>, "ira@irasmithinc.com" <'domfuda@trixaxis.ca' <domfuda@trixaxis.ca>, "rshiller@downingstreet.com" <rshiller@downingstreet.com>, "harvey@chaitons.com" <'george@chaitons.com' <george@chaitons.com>, "Jonathan.Krieger@ca.gt.com" <Jonathan.Krieger@ca.gt.com>, "David.Goldband@ca.gt.com" <'f.battiston@battistonlaw.com' <f.battiston@battistonlaw.com>, "KStasiuk@blaney.com" <KStasiuk@blaney.com>, Dale Cristine Wilson <dcristinew@gmail.com>, Andrew Sefton <andrew.sefton@opcatrusted.ca>, Rob Thompson <royaloakcreek@gmail.com>

Subject: Attached copy of email regarding formation of Newco

Reply-To: Don Steeves <donsteeves@rogers.com>

Hello

In a letter dated March 13th Grant Thornton Limited notified Chaitons LLP of potential tax implications arising from the proposed transaction for investors who hold this investment in their RRSPs. It appears that 63% of Vaughan Crossings investors hold this investment in their RRSPs.

The Grant Thornton letter was sent out to the Vaughan Crossings investors notifying them of the tax issues and that they were responsible for obtaining their own professional advice regarding the potential tax consequences of the proposed transaction. The response from investors with respect to the proposed transaction in view of these issues has been entirely negative.

Despite efforts by myself and the committee to obtain a professional opinion or tax ruling to protect against potential disastrous tax consequences arising from the proposed transaction, this issue remains unresolved.

Based on all the information I have reviewed, the lack of any comfort in the form of an opinion or tax ruling, and the investor responses received to date, my view is that the potential negative tax consequences of the proposed transaction outweigh its potential benefits.

Therefore, I must inform you as an investor and as the committee representative for this project that I am opposed to the proposed transaction, and ask that it not proceed unless a satisfactory resolution of the tax issue is achieved. If the proposed transaction is submitted to the court for approval without a satisfactory resolution of the tax issue, I and other investors intend to appear to oppose it.

Don Steeves

Committee member for Vaughan Crossings

# TAB H

**Ira Smith**

---

**From:** David Brooker <dbrooker@sthilaw.com>  
**Sent:** March-29-17 5:27 PM  
**To:** Steven Jeffery  
**Cc:** Ronald B. Melvin; dennis@b reakwall.com; rshiller@downingstreet. com; domfuda@trixis.ca; Jonathan.Krieger@ca.gt.com; Steve Graff; Ian Aversa; Jeremy Nemers; Michael Cass; Kym Stasiuk; Ira Smith; Karen Sampson  
**Subject:** RE: Vaughan Crossing

Steve:

As of right now the Receiver is not in agreement to toll the obligation to pay the deposit, and considers the APS to have been breached; I will get back to you and the concerned parties tomorrow to advise further.

Yours very truly,

David A. Brooker  
**Steinberg Title Hope & Israel LLP**  
 Barristers & Solicitors, Trade Mark Agents  
 5255 Yonge Street  
 Suite 1100  
 Toronto, Ontario  
 M2N 6P4

Tel: (416) 225-2777 ext. 214  
 Fax: (416) 225-7112

[www.sthilaw.com](http://www.sthilaw.com)  
[www.brookerlaw.ca](http://www.brookerlaw.ca)

***PLEASE NOTE:** This email may contain information that is legally privileged. If you are not the intended recipient of this message, please immediately advise the sender via email that you have received it in error, and then delete its contents in their entirety. Thank you.*

---

From: Steven Jeffery [mailto:[sjeffery@blaney.com](mailto:sjeffery@blaney.com)]  
 Sent: March-29-17 5:19 PM  
 To: '[dbrooker@sthilaw.com](mailto:dbrooker@sthilaw.com)'  
 Cc: 'Ronald B. Melvin'; 'dennis@b [reakwall.com](http://reakwall.com)'; 'rshiller@downingstreet. com'; "[domfuda@trixis.ca](mailto:domfuda@trixis.ca)' ([domfuda@trixis.ca](mailto:domfuda@trixis.ca)); '[Jonathan.Krieger@ca.gt.com](mailto:Jonathan.Krieger@ca.gt.com)'; Kym Stasiuk; 'Steve Graff ([sgraff@airdberlis.com](mailto:sgraff@airdberlis.com))'; 'Ian Aversa ([iaversa@airdberlis.com](mailto:iaversa@airdberlis.com))'; 'Jeremy Nemers ([jnemers@airdberlis.com](mailto:jnemers@airdberlis.com))'; 'Michael Cass' ([Mcast@sthilaw.com](mailto:Mcast@sthilaw.com))  
 Subject: RE: Vaughan Crossing

David, further to our telephone conversations earlier today, I have not heard back from you with respect to Downing's proposal. To repeat, Downing is prepared to proceed with this loan, subject to the following minor changes to the structure of the transaction: (1) the closing will occur on the later of (i) April 19, 2017 and (ii) the date that is two weeks after the date on which the vesting order is granted, (2) the deposit will be payable two business days after amendments to the commitment and the agreement of purchase and sale (and any other documents that require amendment) are

signed, reflecting this proposal, and (3) the deposit will be returned to Downing if the court declines to grant the vesting order or if such vesting order is not granted by on or before April 19, 2017.

In the circumstances, I assume that everyone is agreeable, for now, to toll the obligation to pay the deposit until tomorrow and our client is acting accordingly.

Steven Jeffery

Partner

[sjeffery@blaney.com](mailto:sjeffery@blaney.com)

☎ 416-593-3939 | ☎ 416-593-2966

---

From: Steven Jeffery

Sent: March 28, 2017 10:33 PM

To: '[dbrooker@sthilaw.com](mailto:dbrooker@sthilaw.com)'

Cc: '[rbelvin@rprlaw.com](mailto:rbelvin@rprlaw.com)'; 'dennis@b [reakwall.com](http://reakwall.com)'; 'rshiller@downingstreet.com'; '[domfuda@triauxis.ca](mailto:domfuda@triauxis.ca)' ([domfuda@triauxis.ca](mailto:domfuda@triauxis.ca)); '[Jonathan.Krieger@ca.gt.com](mailto:Jonathan.Krieger@ca.gt.com)'; Kym Stasiuk; Steve Graff ([sgraff@airdberlis.com](mailto:sgraff@airdberlis.com)); Ian Aversa ([iaversa@airdberlis.com](mailto:iaversa@airdberlis.com)); Jeremy Nemers ([jnemers@airdberlis.com](mailto:jnemers@airdberlis.com))

Subject: RE: Vaughan Crossing

David, we were copied on the email below and advised Aird & Berlis, as the trustee for the borrower, that this email appears, to our client, to raise a material adverse matter in relation not only to the timing of the completion of the sale and financing of this property, but the viability of that transaction. We understand from Aird & Berlis that they are working with everyone to try to resolve any issues raised by this email and proceed with the transaction.

Since this resolution will take some time (hopefully only a short period of time), it has been agreed between our client and Aird & Berlis, as solicitors for the trustee for the borrower, that the obligation to provide the deposit under the agreement of purchase and sale (and the obligation of our client to provide the deposit amount) should be put off or "tolled" on a day by day basis, for a reasonable period of time, pending resolution of any issues, subject to (1) our client being given 2 business days to provide the deposit monies once this issue is resolved to everyone's satisfaction and the tolling of the deposit obligation ceases and (2) the closing date for this transaction is set back to April 19, 2017 (or such later date as may be reasonable, considering the length of time it takes to resolve this matter).

Please confirm this is acceptable to your client.

Thanks



Steven Jeffery

Partner

[sjeffery@blaney.com](mailto:sjeffery@blaney.com)

☎ 416-593-3939 | ☎ 416-593-2966

🌐 [Blaney.com](http://Blaney.com)



This communication is intended only for the party to whom it is addressed, and may contain information which is privileged or confidential. Any other delivery, distribution, copying or disclosure is strictly prohibited and is not a waiver of privilege or confidentiality. If you have received this telecommunication in error, please notify the sender immediately by return electronic mail and destroy the message.

---

From: Don Steeves [<mailto:donsteeves@rogers.com>]

Sent: March-24-17 6:58 PM

To: '[dbrooker@sthilaw.com](mailto:dbrooker@sthilaw.com)'; '[rvmelvin@rprlaw.com](mailto:rvmelvin@rprlaw.com)'; Steven Jeffery; '[dennis@b reakwall.com](mailto:dennis@b reakwall.com)'; '[ira@irasmithinc.com](mailto:ira@irasmithinc.com)' '[domfuda@trixaxis.ca](mailto:domfuda@trixaxis.ca)'; 'rshiller@downingstreet.com'; '[harvey@chaitons.com](mailto:harvey@chaitons.com)' '[george@chaitons.com](mailto:george@chaitons.com)'; '[Jonathan.Krieger@ca.gt.com](mailto:Jonathan.Krieger@ca.gt.com)'; '[David.Goldband@ca.gt.com](mailto:David.Goldband@ca.gt.com)' '[f.battiston@battistonlaw.com](mailto:f.battiston@battistonlaw.com)'; Kym Stasiuk; Dale Cristine Wilson; Andrew Sefton; Rob Thompson  
Subject: Attached copy of email regarding formation of Newco

Hello

In a letter dated March 13th Grant Thornton Limited notified Chaitons LLP of potential tax implications arising from the proposed transaction for investors who hold this investment in their RRSPs. It appears that 63% of Vaughan Crossings investors hold this investment in their RRSPs. The Grant Thornton letter was sent out to the Vaughan Crossings investors notifying them of the tax issues and that they were responsible for obtaining their own professional advice regarding the potential tax consequences of the proposed transaction. The response from investors with respect to the proposed transaction in view of these issues has been entirely negative.

Despite efforts by myself and the committee to obtain a professional opinion or tax ruling to protect against potential disastrous tax consequences arising from the proposed transaction, this issue remains unresolved.

Based on all the information I have reviewed, the lack of any comfort in the form of an opinion or tax ruling, and the investor responses received to date, my view is that the potential negative tax consequences of the proposed transaction outweigh its potential benefits.

Therefore, I must inform you as an investor and as the committee representative for this project that I am opposed to the proposed transaction, and ask that it not proceed unless a satisfactory resolution of the tax issue is achieved. If the proposed transaction is submitted to the court for approval without a satisfactory resolution of the tax issue, I and other investors intend to appear to oppose it.

Don Steeves

Committee member for Vaughan Crossings

# TAB I

**AGREEMENT AMENDING AGREEMENT OF PURCHASE AND SALE**

**THIS AGREEMENT** made as of the 31<sup>st</sup> day of March, 2017.

**B E T W E E N:**

**IRA SMITH TRUSTEE & RECEIVER INC.,  
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF THE REAL  
PROPERTY OWNED BY VAUGHAN CROSSINGS INC.**

(hereinafter called the “**Vendor**”)

**OF THE FIRST PART;**

- and -

**SCOLLARD TRUSTEE CORPORATION  
IN TRUST FOR A CORPORATION TO BE FORMED**

(hereinafter called the “**Purchaser**”)

**OF THE SECOND PART;**

- and -

**SCOLLARD TRUSTEE CORPORATION**

(hereinafter called “**STC**”)

**OF THE THIRD PART.**

WHEREAS the parties hereto entered into an agreement of purchase and sale made as of March 21, 2017 (the “Purchase Agreement”);

AND WHEREAS the parties have agreed to amend the Purchase Agreement on the terms set out herein.

NOW THEREFORE in consideration of the sum of Two Dollars (\$2.00) now paid by each of the parties to the other, the receipt and sufficiency whereof are hereby acknowledged, and other good and valuable consideration, it is hereby covenanted and agreed as follows:

1. All capitalized terms used but not defined in this Agreement shall have the respective meanings ascribed thereto in the Purchase Agreement.
2. The parties agree that the Purchase Agreement is hereby amended as follows:

- (a) subsection 2.01(a) is amended by deleting the words “within four business days of the execution of this Agreement” therefrom and adding the following words at the end of this subsection “or in the event that the transaction contemplated in this Agreement is not completed by April 19, 2017”;
- (b) section 3.01, which currently reads as follows:

““**Closing Date**” herein means the date which is ten calendar days following the date on which the Court grants the Approval and Vesting Order pursuant to Section 4.03 of this Agreement, but which Closing Date shall under no circumstances occur later than April 18, 2017 unless otherwise agreed amongst the parties hereto. Without limiting the generality of the foregoing, the Closing Date will occur at the earliest date possible having regard to Court scheduling and the satisfaction of Section 4.03 of this Agreement.”

is hereby deleted and replaced with the following:

““**Closing Date**” herein means the date which is the later of: (i) April 19, 2017; and (ii) the date that is two weeks following the date on which the Court grants the Approval and Vesting Order pursuant to Section 4.03 of this Agreement, unless otherwise agreed amongst the parties hereto (provided the Lender consents to such agreement). Without limiting the generality of the foregoing, the Closing Date will occur at the earliest date possible having regard to Court scheduling and the satisfaction of Section 4.03 of this Agreement.”; and

- (c) the last paragraph of section 4.03, which currently reads as follows:

“In the event that the Vendor cannot obtain the Real Property Appointment Order or the Approval and Vesting Order, or in the event that the closing of the transaction contemplated by this Agreement does not occur by April 19, 2016 for any reason other than Downing Street being in default under its mortgage commitment letter with the Purchaser (the “**Commitment**”), then, subject to section 4.04 of this Agreement, the Deposit shall be returned by the Vendor to Downing Street, in full without interest or deduction, in accordance with Section 4.02 of this Agreement, and thereafter all parties hereto shall be released from all liability arising from this Agreement.”

is hereby deleted and replaced with the following:

“In the event that the Vendor cannot obtain the Real Property Appointment Order or the Approval and Vesting Order by April 18, 2016, or in the event that the closing of the transaction contemplated by this Agreement does not occur by the Closing Date for any reason other than Downing Street being in default under its mortgage commitment letter with the Purchaser (the “**Commitment**”), then, subject to section 4.04 of this Agreement, the Deposit shall be returned by the Vendor to Downing Street, in full without interest or deduction, in accordance with Section 4.02 of this Agreement, and thereafter all parties hereto shall be released from all liability arising from this Agreement.”.



3. The parties agree that the Deposit shall be paid within two business days of the execution of this Agreement by all parties hereto.
4. Save as expressly amended by this Agreement, all other terms and conditions of the Purchase Agreement remain in full force and effect.
5. This Agreement is binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns; “successors” includes any corporation resulting from the amalgamation of either party with any other corporation.
6. This Agreement shall be governed by and construed in accordance with the laws of Ontario and the laws of Canada applicable herein.
7. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one document.
8. This Agreement shall be null and void and of no force and effect unless this Agreement shall have been executed by all parties hereto on or before 5:00 p.m. on the 30<sup>th</sup> day of March, 2017.

**[Signature page follows]**

IN WITNESS WHEREOF, the parties have executed this Agreement.

**SCOLLARD TRUSTEE  
CORPORATION IN TRUST FOR A  
CORPORATION TO BE FORMED**

**BY GRANT THORNTON LIMITED, IN  
ITS CAPACITY AS THE COURT-  
APPOINTED TRUSTEE OF  
SCOLLARD TRUSTEE  
CORPORATION**

Per:

---

Name: Jonathan Krieger  
Title: Partner

**SCOLLARD TRUSTEE  
CORPORATION**

**BY GRANT THORNTON LIMITED, IN  
ITS CAPACITY AS THE COURT-  
APPOINTED TRUSTEE OF  
SCOLLARD TRUSTEE  
CORPORATION**

Per:

---

Name: Jonathan Krieger  
Title: Partner

**IRA SMITH TRUSTEE & RECEIVER  
INC., IN ITS CAPACITY AS THE  
COURT-APPOINTED RECEIVER OF  
THE REAL PROPERTY OWNED BY  
VAUGHAN CROSSINGS INC.**

Per:

---

Name: Ira Smith  
Title: President

IN WITNESS WHEREOF, the parties have executed this Agreement.

**SCOLLARD TRUSTEE  
CORPORATION IN TRUST FOR A  
CORPORATION TO BE FORMED**

**BY GRANT THORNTON LIMITED, IN  
ITS CAPACITY AS THE COURT-  
APPOINTED TRUSTEE OF  
SCOLLARD TRUSTEE  
CORPORATION**

Per: 

\_\_\_\_\_  
Name: Jonathan Krieger  
Title: ~~Partner~~ *Sr. Vice President*

**SCOLLARD TRUSTEE  
CORPORATION**

**BY GRANT THORNTON LIMITED, IN  
ITS CAPACITY AS THE COURT-  
APPOINTED TRUSTEE OF  
SCOLLARD TRUSTEE  
CORPORATION**

Per: 

\_\_\_\_\_  
Name: Jonathan Krieger  
Title: ~~Partner~~ *Sr. Vice President*

**IRA SMITH TRUSTEE & RECEIVER  
INC., IN ITS CAPACITY AS THE  
COURT-APPOINTED RECEIVER OF  
THE REAL PROPERTY OWNED BY  
VAUGHAN CROSSINGS INC.**

Per:

\_\_\_\_\_  
Name: Ira Smith  
Title: President

# TAB J



## Vector Financial

SERVICES LIMITED

Brokerage Licence #10160, Administrator Licence #11205

### Payout Statement

April 3, 2017

Re: Mortgagor: Vaughan Crossings Inc.  
Property : 1st Mortgage at 7818 Dufferin Street

|  |                       |
|--|-----------------------|
| <b>Original Principal Balance</b>                                | <b>\$8,800,000.00</b> |
| <u>Additions:</u>  |                       |
| Land lease payments made   | 188,333.30            |
| Funds raised on September 21, 2016 to cover legal fees           | <u>96,000.00</u>      |
| <b>Revised Principal</b>   | <b>9,084,333.30</b>   |
| Interest at 8.50% due Feb 10, 2016 ( net of payment of \$31,485) | 30,848.33             |
| Interest at 8.50% due Mar 10, 2016, compounded                   | 62,736.05             |
| Interest at 8.50% due Apr 10, 2016, compounded                   | 63,529.83             |
| Interest at 8.50% due May 10, 2016, compounded                   | 64,199.13             |
| Interest at 8.50% due June 10, 2016, compounded                  | 64,955.77             |
| Interest at 8.50% due July 10, 2016, compounded                  | 65,656.35             |
| Interest at 12.00% due Aug 10, 2016, compounded                  | 93,402.59             |
| Interest at 12.00% due Sep 10, 2016, compounded                  | 94,336.61             |
| Interest at 12.00% due Oct 10, 2016, compounded                  | 95,879.65             |
| Interest at 12.00% due Nov 10, 2016, compounded                  | 97,198.78             |
| Interest at 12.00% due Dec 10, 2016, compounded                  | 98,170.76             |
| Interest at 12.00% due Jan 10, 2017, compounded                  | 99,152.47             |




**Vector Financial**  
 SERVICES LIMITED  
 Brokerage Licence #10160, Administrator Licence #11205

|  |                               |
|--|-------------------------------|
| Interest at 12.00% due Feb 10, 2017, compounded                  | 100,144.00                    |
| Interest at 12.00% due Mar 10, 2017, compounded                  | 101,145.44                    |
| Interest at 12.00% due Apr 10, 2017, compounded                  | 102,156.89                    |
| Reimbursement for balance of legal fees (net of \$96,000 above)  | 96,097.62                     |
| Reimbursement of costs for searches                              | 121.36                        |
| Unpaid NSF charges   | 3,600.00                      |
| Discharge fee  | 500.00                        |
| Bank processing fee  | 500.00                        |
| Statement fees (including HST – BN 10550 1209RT0001) – 3 @ \$339 | 1,017.00                      |
| Bank wire fee  | <u>15.00</u>                  |
| <b>Total Amount payable to Vector Financial Services Limited</b> | <b><u>\$10,419,696.93</u></b> |

Per diem interest from April 11, 2017 at 12.00% per annum is \$3,425.65.

These figures do not include legal fees that have not been invoiced and/or estimate of future legal fees.

Yours truly,  
**Vector Financial Services Limited**  
 Per:



Mickey Baratz  
 Director of Finance

I:\1 VFSL\02 CURRENT LOANS\13-18 7818 Dufferin Street, Vaughan\New Construction Loan October 2013\PayoutStatement  
 2017-04-03 for Ira Smith w.Tier1.docx

# TAB K

**QUIT CLAIM, RELEASE AND ACKNOWLEDGEMENT**  
(Sora)

**TO:** IRA SMITH TRUSTEE & RECEIVER INC., IN ITS CAPACITY AS THE RECEIVER OF THE REAL PROPERTY OWNED BY VAUGHAN CROSSINGS INC. (IN SUCH CAPACITY, THE "RECEIVER")

**AND TO:** SCOLLARD TRUSTEE CORPORATION ("SCOLLARD")

**AND TO:** GRANT THORNTON LIMITED, IN ITS CAPACITY AS THE COURT-APPOINTED TRUSTEE OF SCOLLARD (IN SUCH CAPACITY, THE "TRUSTEE")

**RE:** THE REAL PROPERTY LEGALLY DESCRIBED ON SCHEDULE "A" HERETO (THE "REAL PROPERTY")

**DATED:** MARCH 1, 2017

**WHEREAS** one or more instruments in favour of the undersigned (the "**Undersigned**") is registered on title to the Real Property (the "**Undersigned Registrations**");

**AND WHEREAS** Scollard in trust for a corporation to be formed (the "**Purchaser**") and the Receiver are negotiating and intend to enter into an agreement of purchase and sale (the "**Sale Agreement**") providing for the sale of the Real Property by the Receiver to the Purchaser upon and subject to the terms and conditions of the Sale Agreement including, without limitation: (a) approval thereof by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"); and (ii) an order issued by such Court vesting the Real Property free and clear of all encumbrances, including, without limitation, the Undersigned Registrations and any other interests, if any, that the Undersigned may have in the Real Property (together with the Undersigned Registrations, the "**Undersigned Interests**");

**THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Undersigned hereby acknowledges, confirms and agrees as follows:

1. Upon and subject to satisfaction of all conditions set out herein and upon successful completion of the transaction contemplated by the Sale Agreement (the "**Transaction**") and receipt by the Receiver of the sum of \$1,646,633 for the benefit of the Undersigned in full payment and satisfaction of the indebtedness owed to the Undersigned under the Undersigned Registrations (the "**Undersigned Claim**"), the Undersigned fully and absolutely quit claims and releases any and all Undersigned Interests.
2. The Undersigned acknowledges and agrees that the aforesaid sum of \$1,646,633 is an all-inclusive amount that is not subject to any accruing interest or additional fees, expenses or charges of any nature or kind, including without limitation, legal fees and disbursements.
3. The quit claim and release herein is subject to and shall not become effective until each of the following conditions has been fully satisfied:
  - (a) the Transaction has closed on or before March 31, 2017 (the "**Closing Date**") in accordance with its terms, including approval thereof by the Court and transfer of the Real Property to the Purchaser pursuant to a vesting order issued by the Court;
  - (b) prior to the Closing Date and in the form thereof approved by the parties thereto, a certain Development Management Agreement has been entered into amongst the Purchaser, 2514778 Ontario Inc., Triaxis Development Corporation, Breakwall Financial Corporation and Vector Financial Services Limited;
  - (c) on or before the Closing Date, all past, present and future claims and potential claims of Scollard and Olympia Trust Company and their respective directors, officers, shareholders,



- 2 -

investors, successors and assigns, and all such claims of the investors or beneficial owners and their successors and assigns for whom Scollard and Olympia Trust Company act as nominee or trustee, and which relate to the Real Property and/or the Undersigned Claim, have been fully and forever released and discharged as against the Undersigned either by written instrument or by the said vesting order;

- (d) on or before the Closing Date, the claims and action made by Triaxis Construction Limited, as plaintiff, in the Ontario Superior Court of Justice under Court File No. CV-16-125848-00 have been ordered to be withdrawn or dismissed, without costs, whether by written instrument, the said vesting order or other order of the said Court;
  - (e) on or before the Closing Date, the claims and action made by Kohn Partnership Architects Inc., as plaintiff, in the Ontario Superior Court of Justice under Court File No. CV-16-126181-00 have been ordered to be withdrawn or dismissed, without costs, whether by written instrument, the said vesting order or other order of the said Court;
  - (f) on or before the Closing Date, the claims and action made by 2388208 Ontario Incorporated operating as Ronen Management Services, as plaintiff, in the Ontario Superior Court of Justice under Court File No. CV-16-126023-00 have been ordered to be withdrawn or dismissed, without costs, whether by written instrument, the said vesting order or other order of the said Court;
  - (g) on or before the Closing Date, all existing claims of Vector Financial Services Limited and its directors, officers, shareholders, successors and assigns as against the Undersigned and which relate to the Real Property and/or the Undersigned Claim, have been fully and forever released and discharged either by written instrument or by the said vesting order; and
  - (h) on or before the Closing Date, all past, present and future claims of Vaughan Crossings Inc. and its directors, officers, shareholders, successors and assigns as against the Undersigned and which relate to the Real Property and/or the Undersigned Claim have been fully and forever released and discharged either by written instrument or by the said vesting order.
4. This Agreement, given for valuable consideration, is governed by the laws of the Province of Ontario and federal laws applicable therein.
  5. This Agreement is binding on the Undersigned and its successors and assigns.
  6. The Undersigned acknowledges and declares that: (a) it has had an adequate opportunity to read and consider this document and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice; (b) it fully understands the nature and effect of this document; and (c) this document has been duly executed voluntarily.

**SORA CONSTRUCTION LTD.**

Per: 

Name: JOE HAMADI

*I have authority to bind the corporation.*

**SCHEDULE "A"**  
**THE "REAL PROPERTY"**

Firstly

PT LT 24 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PTS 10 & 11 64R7307 EXCEPT PT 1  
EXPROP PL R650078; S/T VA84766 ASSIGNED BY R312155; VAUGHAN  
PIN 03274-0103 (LT)

Secondly

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1, 65R14039; VAUGHAN  
PIN 03274-0104 (LT)

28596893.2

A handwritten signature in blue ink, consisting of a large, stylized 'D' followed by a vertical line and a horizontal line, resembling the initials 'DA'.

QUIT CLAIM, RELEASE AND ACKNOWLEDGEMENT

(Kohn)

TO: IRA SMITH TRUSTEE & RECEIVER INC., IN ITS CAPACITY AS THE RECEIVER OF THE REAL PROPERTY OWNED BY VAUGHAN CROSSINGS INC. (IN SUCH CAPACITY, THE "RECEIVER")

AND TO: SCOLLARD TRUSTEE CORPORATION ("SCOLLARD")

AND TO: GRANT THORNTON LIMITED, IN ITS CAPACITY AS THE COURT-APPOINTED TRUSTEE OF SCOLLARD (IN SUCH CAPACITY, THE "TRUSTEE")

AND TO: VECTOR FINANCIAL SERVICES LIMITED ("VECTOR")

RE: THE REAL PROPERTY LEGALLY DESCRIBED ON SCHEDULE "A" HERETO (THE "REAL PROPERTY")

DATED: MARCH 16, 2017

**WHEREAS** one or more instruments in favour of the undersigned (the "**Undersigned**") is registered on title to the Real Property (the "**Undersigned Registrations**");

**AND WHEREAS** Scollard in trust for a corporation to be formed (the "**Purchaser**") and the Receiver are negotiating and intend to enter into an agreement of purchase and sale (the "**Sale Agreement**") providing for the sale of the Real Property by the Receiver to the Purchaser upon and subject to the terms and conditions of the Sale Agreement including, without limitation: (a) approval thereof by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"); and (ii) an order issued by such Court vesting the Real Property free and clear of all encumbrances, including, without limitation, the Undersigned Registrations and any other interests, if any, that the Undersigned may have in the Real Property (together with the Undersigned Registrations, the "**Undersigned Interests**");

**THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Undersigned hereby acknowledges, confirms and agrees as follows:

1. Upon and subject to satisfaction of all conditions set out herein and upon successful completion of the transaction contemplated by the Sale Agreement (the "**Transaction**") and receipt by the Receiver of the sum of \$170,712.00 for the benefit of the Undersigned in full payment and satisfaction of the indebtedness owed to the Undersigned under the Undersigned Registrations (the "**Undersigned Claim**"), the Undersigned fully and absolutely quit claims and releases any and all Undersigned Interests.
2. The Undersigned acknowledges and agrees that the aforesaid sum of \$170,712.00 is an all-inclusive amount that is not subject to any accruing interest or additional fees, expenses or charges of any nature or kind, including without limitation, legal fees and disbursements.
3. The quit claim and release herein is subject to and shall not become effective until each of the following conditions has been fully satisfied:
  - (a) the Transaction has closed on or before April 18, 2017 (the "**Closing Date**") in accordance with its terms, including approval thereof by the Court and transfer of the Real Property to the Purchaser pursuant to a vesting order issued by the Court;
  - (b) prior to the Closing Date and in the form thereof approved by the parties thereto, a certain Development Management Agreement has been entered into amongst the Purchaser, 2514778 Ontario Inc., Triaxis Development Corporation, Breakwall Financial Corporation and Vector Financial Services Limited;



- 2 -

- (c) on or before the Closing Date, Sora Construction Ltd. will have been paid no more than \$1,646,633.00 in exchange for it executing a quit claim, release and acknowledgment similar to this quit claim, release and acknowledgment in relation to the claims and action made by Sora Construction Ltd., as plaintiff, in the Ontario Superior Court of Justice under Court File No. CV-16-125767-00;
- (d) on or before the Closing Date, TriAxis Construction Limited will have been paid no more than \$182,655.00 in exchange for it executing a quit claim, release and acknowledgment similar to this quit claim, release and acknowledgment in relation to the claims and action made by TriAxis Construction Limited, as plaintiff, in the Ontario Superior Court of Justice under Court File No. CV-16-125848-00;
- (e) on or before the Closing Date, 2388208 Ontario Incorporated will have been paid no more than \$50,000.00 in exchange for it executing a quit claim, release and acknowledgment similar to this quit claim, release and acknowledgment in relation to the claims and action made by 2388208 Ontario Incorporated operating as Ronen Management Services, as plaintiff, in the Ontario Superior Court of Justice under Court File No. CV-16-126023-00.
4. Upon successful completion of the Transaction and receipt by the Receiver of the amount set out in paragraph 1 hereof for the benefit of the Undersigned, the Undersigned hereby agrees that the claims and action made by it, as plaintiff, in the Ontario Superior Court of Justice under Court file No. CV-16-126181-00 shall be withdrawn or dismissed, without costs, as against Vector, and the undersigned shall take all necessary steps at its own expense to do so and file the necessary materials with the said Court and in due course provide satisfactory evidence thereof to Vector.
5. This Agreement, given for valuable consideration, is governed by the laws of the Province of Ontario and federal laws applicable therein.
6. This Agreement is binding on the Undersigned and its successors and assigns.
7. The Undersigned acknowledges and declares that: (a) it has had an adequate opportunity to read and consider this document and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice; (b) it fully understands the nature and effect of this document; and (c) this document has been duly executed voluntarily.
8. The execution of this document, or any amendment hereto or any notice, waiver or other communication given pursuant to or in connection with this document, by any party hereto may be made by facsimile transmission, email transmission or any other similar method to which the Electronic Commerce Act (Ontario) would apply, and any such execution as aforesaid shall be valid, binding and enforceable to the same extent as an originally signed document.

**KOHN PARTNERSHIP ARCHITECTS INC.**

Per: 

*I have authority to bind the corporation.*



**SCHEDULE "A"**  
**THE "REAL PROPERTY"**

Firstly

PT LT 24 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PTS 10 & 11 64R7307 EXCEPT PT 1  
EXPROP PL R650078; S/T VA84766 ASSIGNED BY R312155; VAUGHAN  
PIN 03274-0103 (LT)

Secondly

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1, 65R14039; VAUGHAN  
PIN 03274-0104 (LT)

28596785.3



**QUIT CLAIM, RELEASE AND ACKNOWLEDGEMENT**  
(Breakwall)

**TO:** IRA SMITH TRUSTEE & RECEIVER INC., IN ITS CAPACITY AS THE RECEIVER OF THE REAL PROPERTY OWNED BY VAUGHAN CROSSINGS INC. (IN SUCH CAPACITY, THE 'RECEIVER')

**AND TO:** SCOLLARD TRUSTEE CORPORATION ('SCOLLARD')

**AND TO:** GRANT THORNTON LIMITED, IN ITS CAPACITY AS THE COURT-APPOINTED TRUSTEE OF SCOLLARD (IN SUCH CAPACITY, THE 'TRUSTEE')

**AND TO:** VECTOR FINANCIAL SERVICES LIMITED ('VECTOR')

**RE:** THE REAL PROPERTY LEGALLY DESCRIBED ON SCHEDULE "A" HERETO (THE "REAL PROPERTY")

**DATED:** MARCH 20, 2017

**WHEREAS** Scollard in trust for a corporation to be formed (the "**Purchaser**") and the Receiver are negotiating and intend to enter into an agreement of purchase and sale (the "**Sale Agreement**") providing for the sale of the Real Property by the Receiver to the Purchaser upon and subject to the terms and conditions of the Sale Agreement including, without limitation: (a) approval thereof by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"); and (ii) an order issued by such Court vesting the Real Property free and clear of all encumbrances, including, without limitation, any interests, if any, that the Undersigned may have in Scollard or the Real Property (the "**Undersigned Interests**");

**THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Undersigned hereby acknowledges, confirms and agrees as follows:

1. Upon and subject to satisfaction of all conditions set out herein and upon successful completion of the transaction contemplated by the Sale Agreement (the "**Transaction**") and receipt by the Receiver of the sum of \$150,000.00 for the benefit of the Undersigned in full payment and satisfaction of the indebtedness owed to the Undersigned pursuant to the Undersigned Interests (the "**Undersigned Claim**"), the Undersigned fully and absolutely quit claims and releases any and all Undersigned Interests.
2. The Undersigned acknowledges and agrees that the aforesaid sum of \$150,000.00 is an all-inclusive amount that is not subject to any accruing interest or additional fees, expenses or charges of any nature or kind, including without limitation, legal fees and disbursements.
3. The quit claim and release herein is subject to and shall not become effective until each of the following conditions has been fully satisfied:
  - (a) the Transaction has closed on or before April 18, 2017 (the "**Closing Date**") in accordance with its terms, including approval thereof by the Court and transfer of the Real Property to the Purchaser pursuant to a vesting order issued by the Court.
4. This Agreement, given for valuable consideration, is governed by the laws of the Province of Ontario and federal laws applicable therein.
5. This Agreement is binding on the Undersigned and its successors and assigns.
6. The Undersigned acknowledges and declares that: (a) it has had an adequate opportunity to read and consider this document and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice; (b) it fully understands the nature and effect of this document; and (c) this document has been duly executed voluntarily.

7. The execution of this document, or any amendment hereto or any notice, waiver or other communication given pursuant to or in connection with this document, by any party hereto may be made by facsimile transmission, email transmission or any other similar method to which the Electronic Commerce Act (Ontario) would apply, and any such execution as aforesaid shall be valid, binding and enforceable to the same extent as an originally signed document.

**BREAKWALL FINANCIAL CORP.**

Per: 

Name:

*I have authority to bind the corporation.*

**SCHEDULE "A"**  
**THE "REAL PROPERTY"**

Firstly

PT LT 24 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PTS 10 & 11 64R7307 EXCEPT PT 1  
EXPROP PL R650078; S/T VA84766 ASSIGNED BY R312155; VAUGHAN  
PIN 03274-0103 (LT)

Secondly

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1, 65R14039; VAUGHAN  
PIN 03274-0104 (LT)

28776477.1





**QUIT CLAIM, RELEASE AND ACKNOWLEDGEMENT**  
(Chaitons)

**TO: IRA SMITH TRUSTEE & RECEIVER INC., IN ITS CAPACITY AS THE RECEIVER OF THE REAL PROPERTY OWNED BY VAUGHAN CROSSINGS INC. (IN SUCH CAPACITY, THE "RECEIVER")**

**AND TO: SCOLLARD TRUSTEE CORPORATION ("SCOLLARD")**

**AND TO: GRANT THORNTON LIMITED, IN ITS CAPACITY AS THE COURT-APPOINTED TRUSTEE OF SCOLLARD (IN SUCH CAPACITY, THE "TRUSTEE")**

**AND TO: VECTOR FINANCIAL SERVICES LIMITED ("VECTOR")**

**RE: THE REAL PROPERTY LEGALLY DESCRIBED ON SCHEDULE "A" HERETO (THE "REAL PROPERTY")**

**DATED: MARCH 20, 2017**

**WHEREAS** Scollard in trust for a corporation to be formed (the "**Purchaser**") and the Receiver are negotiating and intend to enter into an agreement of purchase and sale (the "**Sale Agreement**") providing for the sale of the Real Property by the Receiver to the Purchaser upon and subject to the terms and conditions of the Sale Agreement including, without limitation: (a) approval thereof by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"); and (ii) an order issued by such Court vesting the Real Property free and clear of all encumbrances, including, without limitation, any interests, if any, that the Undersigned may have in the Real Property (collectively, the "**Undersigned Interests**");

**THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Undersigned hereby acknowledges, confirms and agrees as follows:

1. Upon and subject to satisfaction of all conditions set out herein and upon successful completion of the transaction contemplated by the Sale Agreement (the "**Transaction**") and receipt by the Receiver of the sum of \$25,000.00 for the benefit of the Undersigned in full payment and satisfaction of the indebtedness owed to the Undersigned pursuant to the Undersigned Interests (the "**Undersigned Claim**"), the Undersigned fully and absolutely quit claims and releases any and all Undersigned Interests. For greater certainty, nothing in this Agreement shall affect the ability of the Undersigned to recover its fees and disbursements in its capacity as Representative Counsel appointed under the Order of the Court dated January 24, 2017, provided that no claim for such fees or disbursements shall be made as against the Real Property or the proceeds of sale payable under the Sale Agreement.
2. The Undersigned acknowledges and agrees that the aforesaid sum of \$25,000.00 is an all-inclusive amount that is not subject to any accruing interest or additional fees, expenses or charges of any nature or kind, including without limitation, legal fees and disbursements.
3. The quit claim and release herein is subject to and shall not become effective until each of the following conditions has been fully satisfied:
  - (a) the Transaction has closed on or before April 18, 2017 (the "**Closing Date**") in accordance with its terms, including approval thereof by the Court and transfer of the Real Property to the Purchaser pursuant to a vesting order issued by the Court.
4. This Agreement, given for valuable consideration, is governed by the laws of the Province of Ontario and federal laws applicable therein.
5. This Agreement is binding on the Undersigned and its successors and assigns.

6. The Undersigned acknowledges and declares that: (a) it has had an adequate opportunity to read and consider this document and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice; (b) it fully understands the nature and effect of this document; and (c) this document has been duly executed voluntarily.
7. The execution of this document, or any amendment hereto or any notice, waiver or other communication given pursuant to or in connection with this document, by any party hereto may be made by facsimile transmission, email transmission or any other similar method to which the Electronic Commerce Act (Ontario) would apply, and any such execution as aforesaid shall be valid, binding and enforceable to the same extent as an originally signed document.

**CHAITONS LLP**Per: 

Name: \_\_\_\_\_

G. Benchevri +

*I have authority to bind the corporation.**partnership*

**SCHEDULE "A"**  
**THE "REAL PROPERTY"**

Firstly

PT LT 24 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PTS 10 & 11 64R7307 EXCEPT PT 1  
EXPROP PL R650078; S/T VA84766 ASSIGNED BY R312155; VAUGHAN  
PIN 03274-0103 (LT)

Secondly

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1, 65R14039; VAUGHAN  
PIN 03274-0104 (LT)

**QUIT CLAIM, RELEASE AND ACKNOWLEDGEMENT**  
(Ronen)

**TO: IRA SMITH TRUSTEE & RECEIVER INC., IN ITS CAPACITY AS THE RECEIVER OF THE REAL PROPERTY OWNED BY VAUGHAN CROSSINGS INC. (IN SUCH CAPACITY, THE "RECEIVER")**

**AND TO: SCOLLARD TRUSTEE CORPORATION ("SCOLLARD")**

**AND TO: GRANT THORNTON LIMITED, IN ITS CAPACITY AS THE COURT-APPOINTED TRUSTEE OF SCOLLARD (IN SUCH CAPACITY, THE "TRUSTEE")**

**AND TO: VECTOR FINANCIAL SERVICES LIMITED ("VECTOR")**

**RE: THE REAL PROPERTY LEGALLY DESCRIBED ON SCHEDULE "A" HERETO (THE "REAL PROPERTY")**

**DATED: MARCH 20, 2017**

**WHEREAS** one or more instruments in favour of the undersigned (the "**Undersigned**") is registered on title to the Real Property (the "**Undersigned Registrations**");

**AND WHEREAS** Scollard in trust for a corporation to be formed (the "**Purchaser**") and the Receiver are negotiating and intend to enter into an agreement of purchase and sale (the "**Sale Agreement**") providing for the sale of the Real Property by the Receiver to the Purchaser upon and subject to the terms and conditions of the Sale Agreement including, without limitation: (a) approval thereof by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"); and (ii) an order issued by such Court vesting the Real Property free and clear of all encumbrances, including, without limitation, the Undersigned Registrations and any other interests, if any, that the Undersigned may have in the Real Property (together with the Undersigned Registrations, the "**Undersigned Interests**");

**THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Undersigned hereby acknowledges, confirms and agrees as follows:

1. Upon and subject to satisfaction of all conditions set out herein and upon successful completion of the transaction contemplated by the Sale Agreement (the "**Transaction**") and receipt by the Receiver of the sum of \$50,000.00 for the benefit of the Undersigned in full payment and satisfaction of the indebtedness owed to the Undersigned under the Undersigned Registrations (the "**Undersigned Claim**"), the Undersigned fully and absolutely quit claims and releases any and all Undersigned Interests.
2. The Undersigned acknowledges and agrees that the aforesaid sum of \$50,000.00 is an all-inclusive amount that is not subject to any accruing interest or additional fees, expenses or charges of any nature or kind, including without limitation, legal fees and disbursements.
3. The quit claim and release herein is subject to and shall not become effective until each of the following conditions has been fully satisfied:
  - (a) the Transaction has closed on or before April 18, 2017 (the "**Closing Date**") in accordance with its terms, including approval thereof by the Court and transfer of the Real Property to the Purchaser pursuant to a vesting order issued by the Court.
4. Upon successful completion of the Transaction and receipt by the Receiver of the amount set out in paragraph 1 hereof for the benefit of the Undersigned, the Undersigned hereby agrees that the claims and action made by it, as plaintiff, in the Ontario Superior Court of Justice under Court file No. CV-16-126023-00 shall be withdrawn or dismissed, without costs, as against Vector, and the undersigned shall

- 2 -

take all necessary steps at its own expense to do so and file the necessary materials with the said Court and in due course provide satisfactory evidence thereof to Vector.

5. This Agreement, given for valuable consideration, is governed by the laws of the Province of Ontario and federal laws applicable therein.
6. This Agreement is binding on the Undersigned and its successors and assigns.
7. The Undersigned acknowledges and declares that: (a) it has had an adequate opportunity to read and consider this document and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice; (b) it fully understands the nature and effect of this document; and (c) this document has been duly executed voluntarily.
8. The execution of this document, or any amendment hereto or any notice, waiver or other communication given pursuant to or in connection with this document, by any party hereto may be made by facsimile transmission, email transmission or any other similar method to which the Electronic Commerce Act (Ontario) would apply, and any such execution as aforesaid shall be valid, binding and enforceable to the same extent as an originally signed document.

**2388208 ONTARIO INCORPORATED,  
operating as Ronen Management Services**

Per: 

Name: \_\_\_\_\_

*I have authority to bind the corporation.*

**SCHEDULE "A"**  
**THE "REAL PROPERTY"**

Firstly

PT LT 24 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PTS 10 & 11 64R7307 EXCEPT PT 1  
EXPROP PL R650078; S/T VA84766 ASSIGNED BY R312155; VAUGHAN  
PIN 03274-0103 (LT)

Secondly

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1, 65R14039; VAUGHAN  
PIN 03274-0104 (LT)

28596893.3

**QUIT CLAIM, RELEASE AND ACKNOWLEDGEMENT**  
**(Vector)**

**TO: IRA SMITH TRUSTEE & RECEIVER INC., IN ITS CAPACITY AS THE RECEIVER OF THE REAL PROPERTY OWNED BY VAUGHAN CROSSINGS INC. (IN SUCH CAPACITY, THE "RECEIVER")**

**AND TO: SCOLLARD TRUSTEE CORPORATION ("SCOLLARD")**

**AND TO: GRANT THORNTON LIMITED, IN ITS CAPACITY AS THE COURT-APPOINTED TRUSTEE OF SCOLLARD (IN SUCH CAPACITY, THE "TRUSTEE")**

**RE: THE REAL PROPERTY LEGALLY DESCRIBED ON SCHEDULE "A" HERETO (THE "REAL PROPERTY")**

**DATED: MARCH 1, 2017**

**WHEREAS** one or more instruments in favour of the undersigned (the "**Undersigned**") is registered on title to the Real Property (the "**Undersigned Registrations**");

**AND WHEREAS** Scollard in trust for a corporation to be formed (the "**Purchaser**") and the Receiver are negotiating and intend to enter into an agreement of purchase and sale (the "**Sale Agreement**") providing for the sale of the Real Property by the Receiver to the Purchaser upon and subject to the terms and conditions of the Sale Agreement including, without limitation: (a) approval thereof by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"); and (ii) an order issued by such Court vesting the Real Property free and clear of all encumbrances, including, without limitation, the Undersigned Registrations and any other interests, if any, that the Undersigned may have in the Real Property (together with the Undersigned Registrations, the "**Undersigned Interests**");

**THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Undersigned hereby acknowledges, confirms and agrees as follows:

1. Upon and subject to satisfaction of all conditions set out herein and upon successful completion of the transaction contemplated by the Sale Agreement (the "**Transaction**") and receipt by the Receiver of the sum of \$9,500,000 for the benefit of the Undersigned in full payment and satisfaction of the indebtedness owed to the Undersigned under the Undersigned Registrations (the "**Undersigned Loan**"), the Undersigned fully and absolutely quit claims and releases any and all Undersigned Interests.
2. The Undersigned acknowledges and agrees that the aforesaid sum of \$9,500,000 is an all-inclusive amount that is not subject to any accruing interest or additional fees, expenses or charges of any nature or kind, including without limitation, legal fees and disbursements.
3. The quit claim and release herein is subject to and shall not become effective until each of the following conditions has been fully satisfied:
  - (a) the Transaction has closed on or before April 18, 2017 (the "**Closing Date**") in accordance with its terms, including approval thereof by the Court and transfer of the Real Property to the Purchaser pursuant to a vesting order issued by the Court;
  - (b) prior to the Closing Date and in the form thereof approved by the parties thereto, a certain Development Management Agreement has been entered into amongst the Purchaser, 2514778 Ontario Inc., Triaxis Development Corporation, Breakwall Financial Corporation and the Undersigned, which, inter alia, provides for a pari passu participation by the Undersigned in 5.0% of the net proceeds of the resale of the Real Property after, amongst other things, certain redevelopment thereof, as specifically provided in such Development Management Agreement;

- (c) on or before the Closing Date, all past, present and future claims and potential claims of Scollard and Olympia Trust Company and their respective directors, officers, shareholders, investors, successors and assigns, and all such claims of the investors or beneficial owners and their successors and assigns for whom Scollard and Olympia Trust Company act as nominee or trustee, and which relate to the Real Property and/or the Undersigned Loan, have been fully and forever released and discharged as against the Undersigned either by written instrument or by the said vesting order;
  - (d) on or before the Closing Date, the claims and action against the Undersigned, as defendant, made by Sora Construction Ltd., as plaintiff, in the Ontario Superior Court of Justice under Court File No. CV-16-125767-00 have been ordered to be withdrawn or dismissed, without costs, whether by written instrument, the said vesting order or other order of the said Court;
  - (e) on or before the Closing Date, the claims and action against the Undersigned, as defendant, made by Triaxis Construction Limited, as plaintiff, in the Ontario Superior Court of Justice under Court File No. CV-16-125848-00 have been ordered to be withdrawn or dismissed, without costs, whether by written instrument, the said vesting order or other order of the said Court;
  - (f) on or before the Closing Date, the claims and action against the Undersigned, as defendant, made by Kohn Partnership Architects Inc., as plaintiff, in the Ontario Superior Court of Justice under Court File No. CV-16-126181-00 have been ordered to be withdrawn or dismissed, without costs, whether by written instrument, the said vesting order or other order of the said Court; and
  - (g) on or before the Closing Date, the claims and action against the Undersigned, as defendant, made by 2388208 Ontario Incorporated operating as Ronen Management Services, as plaintiff, in the Ontario Superior Court of Justice under Court File No. CV-16-126023-00 have been ordered to be withdrawn or dismissed, without costs, whether by written instrument, the said vesting order or other order of the said Court.
4. This Agreement, given for valuable consideration, is governed by the laws of the Province of Ontario and federal laws applicable therein.
5. This Agreement is binding on the Undersigned and its successors and assigns.
6. The Undersigned acknowledges and declares that: (a) it has had an adequate opportunity to read and consider this document and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice; (b) it fully understands the nature and effect of this document; and (c) this document has been duly executed voluntarily.
7. The execution of this document, or any amendment hereto or any notice, waiver or other communication given pursuant to or in connection with this document, by any party hereto may be made by facsimile transmission, email transmission or any other similar method to which the Electronic Commerce Act (Ontario) would apply, and any such execution as aforesaid shall be valid, binding and enforceable to the same extent as an originally signed document.

**VECTOR FINANCIAL SERVICES LIMITED**

Per:   
Mickey Baratz, Director of Finance

*I have authority to bind the corporation.*



**SCHEDULE "A"**  
**THE "REAL PROPERTY"**

Firstly

PT LT 24 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PTS 10 & 11 64R7307 EXCEPT PT 1  
EXPROP PL R650078; S/T VA84766 ASSIGNED BY R312155; VAUGHAN  
PIN 03274-0103 (LT)

Secondly

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1, 65R14039; VAUGHAN  
PIN 03274-0104 (LT)

28543984.3

**QUIT CLAIM, RELEASE AND ACKNOWLEDGEMENT**  
(Tier 1)

**TO: IRA SMITH TRUSTEE & RECEIVER INC., IN ITS CAPACITY AS THE RECEIVER OF THE REAL PROPERTY OWNED BY VAUGHAN CROSSINGS INC. (IN SUCH CAPACITY, THE "RECEIVER")**

**AND TO: SCOLLARD TRUSTEE CORPORATION ("SCOLLARD")**

**AND TO: GRANT THORNTON LIMITED, IN ITS CAPACITY AS THE COURT-APPOINTED TRUSTEE OF SCOLLARD (IN SUCH CAPACITY, THE "TRUSTEE")**

**AND TO: VECTOR FINANCIAL SERVICES LIMITED ("VECTOR")**

**RE: THE REAL PROPERTY LEGALLY DESCRIBED ON SCHEDULE "A" HERETO (THE "REAL PROPERTY")**

**DATED: MARCH 20, 2017**


**WHEREAS** Scollard in trust for a corporation to be formed (the "**Purchaser**") and the Receiver are negotiating and intend to enter into an agreement of purchase and sale (the "**Sale Agreement**") providing for the sale of the Real Property by the Receiver to the Purchaser upon and subject to the terms and conditions of the Sale Agreement including, without limitation: (a) approval thereof by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"); and (ii) an order issued by such Court vesting the Real Property free and clear of all encumbrances, including, without limitation, any interests, if any, that the Undersigned may have in Scollard or the Real Property (the "**Undersigned Interests**");

**THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Undersigned hereby acknowledges, confirms and agrees as follows:

1. Upon and subject to satisfaction of all conditions set out herein and upon successful completion of the transaction contemplated by the Sale Agreement (the "**Transaction**") and receipt by the Receiver of the sum of \$35,000.00 for the benefit of the Undersigned in full payment and satisfaction of the indebtedness owed to the Undersigned pursuant to the Undersigned Interests (the "**Undersigned Claim**"), the Undersigned fully and absolutely quit claims and releases any and all Undersigned Interests.
2. The Undersigned acknowledges and agrees that the aforesaid sum of \$35,000.00 is an all-inclusive amount that is not subject to any accruing interest or additional fees, expenses or charges of any nature or kind, including without limitation, legal fees and disbursements.
3. The quit claim and release herein is subject to and shall not become effective until each of the following conditions has been fully satisfied:
  - (a) the Transaction has closed on or before April 18, 2017 (the "**Closing Date**") in accordance with its terms, including approval thereof by the Court and transfer of the Real Property to the Purchaser pursuant to a vesting order issued by the Court.
4. This Agreement, given for valuable consideration, is governed by the laws of the Province of Ontario and federal laws applicable therein.
5. This Agreement is binding on the Undersigned and its successors and assigns.
6. The Undersigned acknowledges and declares that: (a) it has had an adequate opportunity to read and consider this document and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice; (b) it fully understands the nature and effect of this document; and (c) this document has been duly executed voluntarily.

7. The execution of this document, or any amendment hereto or any notice, waiver or other communication given pursuant to or in connection with this document, by any party hereto may be made by facsimile transmission, email transmission or any other similar method to which the Electronic Commerce Act (Ontario) would apply, and any such execution as aforesaid shall be valid, binding and enforceable to the same extent as an originally signed document.

**TIER 1 TRANSACTION ADVISORY  
SERVICES INC.**



Per: \_\_\_\_\_

Name: Raj Singh

*I have authority to bind the corporation.*

**SCHEDULE "A"**  
**THE "REAL PROPERTY"**

Firstly

PT LT 24 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PTS 10 & 11 64R7307 EXCEPT PT 1  
EXPROP PL R650078; S/T VA84766 ASSIGNED BY R312155; VAUGHAN  
PIN 03274-0103 (LT)

Secondly

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1, 65R14039; VAUGHAN  
PIN 03274-0104 (LT)

28776207.1

**QUIT CLAIM, RELEASE AND ACKNOWLEDGEMENT**  
(Triaxis)

**TO: IRA SMITH TRUSTEE & RECEIVER INC., IN ITS CAPACITY AS THE RECEIVER OF THE REAL PROPERTY OWNED BY VAUGHAN CROSSINGS INC. (IN SUCH CAPACITY, THE "RECEIVER")**

**AND TO: SCOLLARD TRUSTEE CORPORATION ("SCOLLARD")**

**AND TO: GRANT THORNTON LIMITED, IN ITS CAPACITY AS THE COURT-APPOINTED TRUSTEE OF SCOLLARD (IN SUCH CAPACITY, THE "TRUSTEE")**

**AND TO: VECTOR FINANCIAL SERVICES LIMITED ("VECTOR")**

**RE: THE REAL PROPERTY LEGALLY DESCRIBED ON SCHEDULE "A" HERETO (THE "REAL PROPERTY")**

**DATED: MARCH 16, 2017**

**WHEREAS** one or more instruments in favour of the undersigned (the "**Undersigned**") is registered on title to the Real Property (the "**Undersigned Registrations**");

**AND WHEREAS** Scollard in trust for a corporation to be formed (the "**Purchaser**") and the Receiver are negotiating and intend to enter into an agreement of purchase and sale (the "**Sale Agreement**") providing for the sale of the Real Property by the Receiver to the Purchaser upon and subject to the terms and conditions of the Sale Agreement including, without limitation: (a) approval thereof by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"); and (ii) an order issued by such Court vesting the Real Property free and clear of all encumbrances, including, without limitation, the Undersigned Registrations and any other interests, if any, that the Undersigned may have in the Real Property (together with the Undersigned Registrations, the "**Undersigned Interests**");

**THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Undersigned hereby acknowledges, confirms and agrees as follows:

1. Upon and subject to satisfaction of all conditions set out herein and upon successful completion of the transaction contemplated by the Sale Agreement (the "**Transaction**") and receipt by the Receiver of the sum of \$182,655.00 for the benefit of the Undersigned in full payment and satisfaction of the indebtedness owed to the Undersigned under the Undersigned Registrations (the "**Undersigned Claim**"), the Undersigned fully and absolutely quit claims and releases any and all Undersigned Interests.
2. The Undersigned acknowledges and agrees that the aforesaid sum of \$182,655.00 is an all-inclusive amount that is not subject to any accruing interest or additional fees, expenses or charges of any nature or kind, including without limitation, legal fees and disbursements.
3. The quit claim and release herein is subject to and shall not become effective until each of the following conditions has been fully satisfied:
  - (a) the Transaction has closed on or before April 18, 2017 (the "**Closing Date**") in accordance with its terms, including approval thereof by the Court and transfer of the Real Property to the Purchaser pursuant to a vesting order issued by the Court;
  - (b) prior to the Closing Date and in the form thereof approved by the parties thereto, a certain Development Management Agreement has been entered into amongst the Purchaser, 2514778 Ontario Inc., Triaxis Development Corporation, Breakwall Financial Corporation and Vector Financial Services Limited;

- 2 -

- (c) on or before the Closing Date, Sora Construction Ltd. will have been paid no more than \$1,646,633.00 in exchange for it executing a quit claim, release and acknowledgment similar to this quit claim, release and acknowledgment in relation to the claims and action made by Sora Construction Ltd., as plaintiff, in the Ontario Superior Court of Justice under Court File No. CV-16-125767-00;
  - (d) on or before the Closing Date, Kohn Partnership Architects Inc. will have been paid no more than \$170,712.00 in exchange for it executing a quit claim, release and acknowledgment similar to this quit claim, release and acknowledgment in relation to the claims and action made by Kohn Partnership Architects Inc., as plaintiff, in the Ontario Superior Court of Justice under Court File No. CV-16-126181-00; and
  - (e) on or before the Closing Date, 2388208 Ontario Incorporated will have been paid no more than \$50,000.00 in exchange for it executing a quit claim, release and acknowledgment similar to this quit claim, release and acknowledgment in relation to the claims and action made by 2388208 Ontario Incorporated operating as Ronen Management Services, as plaintiff, in the Ontario Superior Court of Justice under Court File No. CV-16-126023-00.
4. Upon successful completion of the Transaction and receipt by the Receiver of the amount set out in paragraph 1 hereof for the benefit of the Undersigned, the Undersigned hereby agrees that the claims and action made by it, as plaintiff, in the Ontario Superior Court of Justice under Court file No. CV-16-125848-00 shall be withdrawn or dismissed, without costs, as against Vector, and the undersigned shall take all necessary steps at its own expense to do so and file the necessary materials with the said Court and in due course provide satisfactory evidence thereof to Vector.
  5. This Agreement, given for valuable consideration, is governed by the laws of the Province of Ontario and federal laws applicable therein.
  6. This Agreement is binding on the Undersigned and its successors and assigns.
  7. The Undersigned acknowledges and declares that: (a) it has had an adequate opportunity to read and consider this document and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice; (b) it fully understands the nature and effect of this document; and (c) this document has been duly executed voluntarily.
  8. The execution of this document, or any amendment hereto or any notice, waiver or other communication given pursuant to or in connection with this document, by any party hereto may be made by facsimile transmission, email transmission or any other similar method to which the Electronic Commerce Act (Ontario) would apply, and any such execution as aforesaid shall be valid, binding and enforceable to the same extent as an originally signed document.

**TRIAXIS CONSTRUCTION LIMITED**Per: \_\_\_\_\_  
Domenic Fuda, President*I have authority to bind the corporation.*

**SCHEDULE "A"**  
**THE "REAL PROPERTY"**

Firstly

PT LT 24 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PTS 10 & 11 64R7307 EXCEPT PT 1  
EXPROP PL R650078; S/T VA84766 ASSIGNED BY R312155; VAUGHAN  
PIN 03274-0103 (LT)

Secondly

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1, 65R14039; VAUGHAN  
PIN 03274-0104 (LT)

28596785.3

# TAB L



Court File No. CV-17-11670-00CL  
 Court File No. CV-16-11567-00CL

**ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 COMMERCIAL LIST**

BETWEEN:

**VECTOR FINANCIAL SERVICES LIMITED**

Applicant

- and -

**VAUGHAN CROSSINGS INC.**

Respondent

- AND -

BETWEEN:

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

Applicant

- and -

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION, 2223947 ONTARIO LIMITED, MC TRUSTEE (KITCHENER) LTD., SCOLLARD TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION, 7743718 CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

Respondents

APPLICATION UNDER Section 37 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, S.O. 2006, c.29 and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43.

**AFFIDAVIT OF IRA SMITH  
 (Sworn April 3, 2017)**

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

1. I am the President of Ira Smith Trustee & Receiver Inc. (“**ISI**”), the court-appointed receiver (the “**Receiver**”) of Vaughan Crossings Inc. (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 the real estate assets, properties and undertakings of the Debtor under a joint retainer agreement which was fully signed on September 19, 2016 by the first mortgagee, Vector Financial Services Limited (“**Vector**” or the “**Applicant**”) and the second mortgagee Scollard Trustee Corporation (“**Scollard**”) and Olympia Trust Company (“**Olympia**”) (the “**Private Appointment**”).
3. On February 14, 2017 ISI was appointed Receiver over the assets, properties and undertakings of the Lands and related personal property of the Company (as defined in the Court Order) by Order of the Honourable Justice Conway (the “**Receivership Order**”).
4. Pursuant to paragraph 19 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 August 31, 2016 to March 31, 2017 (including an estimate to complete this receivership administration) (the “**Time Period**”). A copy of the invoices 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 First Report with this Honourable Court, which outlines, among other things, the Receiver’s overall actions and activities since the date of the Receivership Order.
7. A total of 87.5 hours were expended by the Receiver in connection with this matter during the Time Period, giving rise to fees totaling \$39,247.50 (excluding HST) for an average hourly rate of \$448.54 and allocated approximately as outlined in the Accounts Summary. The Receiver estimates that an additional 26.7 hours giving rise to an additional fee of \$12,015.00 (excluding

HST) will be incurred to complete the administration subsequent to March 31, 2017, for a total of 114.2 hours, a fee of \$51,262.50 (excluding HST) for an average hourly rate of \$448.88.

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 April 3, 2017 and filed in support of the within motion are copies of the accounts rendered by Steinberg Title Hope Israel LLP ("STHI"), counsel to the Receiver, for the period from August 25, 2016 to March 31, 2017, plus an estimate to complete this receivership administration.


12. STHI 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 April  
3, 2017

  
\_\_\_\_\_  
Commissioner for Taking Affidavits  
(or as may be)

**MICHAEL CASS**

  
\_\_\_\_\_  
**IRA SMITH**

## EXHIBIT "A"

**FIRST REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.  
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF  
VAUGHAN CROSSINGS INC.**

**August 31, 2016 to March 31, 2017**

**(including an estimate to complete this receivership administration)**

| <b>Staff Member</b>                | <b>Title</b>             | <b>Total Hours</b> | <b>Hourly Rate (\$CDN)</b>             | <b>Amount Billed (\$CDN)</b> |
|------------------------------------|--------------------------|--------------------|--|------------------------------|
| Ira Smith, MBA CPA CA<br>CIRP, LIT | President                | 85.8               | 450.00                                 | 38,610.00                    |
| Brandon Smith, BA CIRP,<br>LIT     | Senior<br>Vice-President | <u>1.7</u>         | 375.00                                 | 637.50                       |
| <b>Total</b>                       |                          | <b><u>87.5</u></b> | <b>Average hourly rate of \$448.54</b> | <b>39,247.50</b>             |
| Disbursements                      |                          |                    |  | <u>11,720.88</u>             |
|                                    |                          |                    |  | 50,968.38                    |
| Estimate to complete               |                          | <u>26.7</u>        |  | <u>12,015.00</u>             |
| <b>Total</b>                       |                          |                    | <b>Average hourly rate of \$448.88</b> | <b><u>62,983.38</u></b>      |
| <b>TOTAL WITH HST INCLUDED</b>     |                          |                    |  | <b><u>71,171.22</u></b>      |

This is Exhibit 1A referred to in the affidavit of IRA SMITH sworn before me, this 3rd day of April 2017.

M. J. Cass  
A COMMISSIONER FOR TAKING AFFIDAVITS



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

R-VCI

December 12, 2016

GST/HST # 86236 5699

**VAUGHAN CROSSINGS INC.**

For professional services rendered for the period from August 31, 2016 to December 9, 2016 inclusive, in acting as Receiver of the assets, properties and undertaking of Vaughan Crossings Inc. as follows (detail attached):

| <u>Staff</u>                                | <u>Hourly rate</u> | <u>Hours</u> |
|---|--------------------|--------------|
| I. Smith, President and Trustee             | \$450              | 34.1         |
| B. Smith, Senior Vice-President and Trustee | \$375              | <u>0.7</u>   |
|   |                    | <u>34.8</u>  |
|   |                    | \$ 15,607.50 |

**Disbursements:**

|                |                  |
|----------------|------------------|
| Postage        | \$ 1.60          |
| Travel/Mileage | 12.00            |
| Appraisal      | <u>10,181.30</u> |

|     |                     |
|-----|---------------------|
|     | <u>10,194.90</u>    |
|     | \$ 25,802.40        |
| HST | <u>3,354.31</u>     |
|     | <u>\$ 29,156.71</u> |

This is Exhibit 186 referred to in the affidavit of IRA SMITH sworn before me, this 12th day of April 2017

*[Signature]*  
 A COMMISSIONER FOR TAKING AFFIDAVITS

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 31/08/2016 to 09/12/2016

| Keyname | Date               | Employee  | Hours | Full Estate Name       | Remark  | Amount   |
|---------|--------------------|-----------|-------|------------------------|---|----------|
| R-VCI   |                    |           |       | Vaughan Crossings Inc. |   | \$       |
|         | September 1, 2016  | Ira Smith | 0.7   |                        | Telcon w. Dennis Jewitt re land lease issues, property issues, sale strategies, realtor inquiries   | 315.00   |
|         | September 8, 2016  | Ira Smith | 0.2   |                        | Email from and to Dennis Jewitt re potential sales process  | 90.00    |
|         | September 8, 2016  | Ira Smith | 0.3   |                        | Email to Barry Cohen re landlords of leased land and issues   | 135.00   |
|         | September 8, 2016  | Ira Smith | 0.6   |                        | Telcon from Barry Cohen and Stephanie Eiley re my email and discussion of options available and memo to file  | 270.00   |
|         | September 8, 2016  | Ira Smith | 0.4   |                        | Email to lawyers, Vector and Scollard re my conversation with Barry Cohen and Stephanie Eiley   | 180.00   |
|         | September 19, 2016 | Ira Smith | 0.6   |                        | Emails from Olympia Trust and Greg Harris, fully signed engagement letter, joint retain agreement and appt letter and communication to all legal counsel and stakeholders with description of next steps  | 270.00   |
|         | September 19, 2016 | Ira Smith | 0.8   |                        | Begin review of Vector documents  | 360.00   |
|         | September 19, 2016 | Ira Smith | 2.1   |                        | Continue and complete review of Vector docs, prep of additional info required listing   | 945.00   |
|         | September 19, 2016 | Ira Smith | 0.2   |                        | Rcpt and rvw of Torkin Manes letter from B. Cohen on behalf of landlords re suggestion to take future rent out of security deposit, email to stakeholders and respective legal counsel B. Cohen letter, list of additional info required and other issues | 90.00    |
|         | September 20, 2016 | Ira Smith | 0.6   |                        | Telcon w. D. Brooker re construction lien and other file issues, email from and to D. Jewitt re leased land and information requirements, email from and to R. Melvin re information requirements   | 270.00   |
|         | September 22, 2016 | Ira Smith | 3.2   |                        | Obtain access and download Scollard's data room docs re project and begin rvw, email from and to D. Jewitt re landlords and mortgagees  | 1,440.00 |
|         | September 23, 2016 | Ira Smith | 0.7   |                        | Telcon from D. Jewitt to discuss potential draft stalking horse sales process issues  | 315.00   |
|         | September 23, 2016 | Ira Smith | 1.8   |                        | Rvw of docs from Raj data room and determination of what is missing   | 810.00   |

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 31/08/2016 to 09/12/2016

| Keyname | Full Estate Name       | Date               | Employee  | Hours | Remark  | Amount |
|---------|------------------------|--------------------|-----------|-------|---|--------|
| R-VCI   | Vaughan Crossings Inc. |                    |           |       |   | \$     |
|         |                        | September 26, 2016 | Ira Smith |       | Finish rvw of docs from Raj data room, rcpt, rvw and reply to D. Jewitt   | 720.00 |
|         |                        | September 26, 2016 | Ira Smith |       | 1.6 and R. Singh emails, email to stakeholders and legal counsel re additional missing docs required and landlord issue   |        |
|         |                        | September 27, 2016 | Ira Smith |       | 0.3 Telcon w. R. Melvin and Mickey re Scollard position on leased land as explained by D. Jewitt  | 135.00 |
|         |                        | September 29, 2016 | Ira Smith |       | 0.7 Rvw of original appraisal information   | 315.00 |
|         |                        | September 29, 2016 | Ira Smith |       | 1.6 Begin drafting of Receiver's stat report  | 720.00 |
|         |                        | September 29, 2016 | Ira Smith |       | 0.4 Telcon w. Norman Height of Bosley re doing appraisal for Receiver   | 180.00 |
|         |                        | September 29, 2016 | Ira Smith |       | 0.2 Vmail from and to D. Jewitt   | 90.00  |
|         |                        | September 30, 2016 | Ira Smith |       | 0.7 Telcon from D. Jewitt re issues surrounding leased land and potential sales process   | 315.00 |
|         |                        | October 16, 2016   | Ira Smith |       | 0.8 Rvw and comments for David Brooker on draft stalking horse bid and email comments to David  | 360.00 |
|         |                        | October 17, 2016   | Ira Smith |       | 0.7 Telcon w. D. Brooker re necessary amendments to draft stalking horse bid and next steps   | 315.00 |
|         |                        | October 17, 2016   | Ira Smith |       | 0.6 Email from R. Melvin re lease default, Emails with D. Brooker re his conversations w. R. Melvin re draft stalking horse bid   | 270.00 |
|         |                        | October 18, 2016   | Ira Smith |       | Emails w. Dennis Jewitt re Stalking Horse Bid status and our comments, email w. Mickey Baratz re Stalking Horse Bid status and getting appraisal going, voicemails to and from Norman Height, Bosley re appraisal, emails to and from David Brooker re getting our comments out on draft Stalking Horse Bid, rvw of David's comments to ensure it captured our joint comments | 180.00 |
|         |                        | October 19, 2016   | Ira Smith |       | 1.0 Rvw of draft appraiser's proposal letter, amendments thereto and email back with amended document for consideration   | 450.00 |
|         |                        | November 2, 2016   | Ira Smith |       | 0.4 Prep for meeting at A&B w. Grant Thornton et al re VCI and Scollard   | 180.00 |
|         |                        | November 2, 2016   | Ira Smith |       | 0.8 Travel to and from and attend meeting at A&B re VCI and Scollard  | 360.00 |

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 31/08/2016 to 09/12/2016

| Keyname | Full Estate Name       | Date              | Employee      | Hours | Remark   | Amount   |
|---------|------------------------|-------------------|---------------|-------|--|----------|
| R-VC1   | Vaughan Crossings Inc. |                   |               |       |  | \$       |
|         |                        | November 2, 2016  | Ira Smith     | 3.4   | Email to David Goldband re investor query  | 1,530.00 |
|         |                        | November 3, 2016  | Ira Smith     | 0.1   | Telcon from Dennis Jewitt re his progress and upcoming GT meeting re sale of property  | 45.00    |
|         |                        | November 7, 2016  | Ira Smith     | 0.5   | Telcon w. Paul Stewart re appraisal of realty  | 225.00   |
|         |                        | November 7, 2016  | Ira Smith     | 0.2   | Email to Paul Stewart with information and request for proposal letter   | 90.00    |
|         |                        | November 8, 2016  | Ira Smith     | 0.2   | Collecting data for Avison Young Appraisals and emails to and from Mor Levy re same  | 90.00    |
|         |                        | November 8, 2016  | Ira Smith     | 1.6   | mtg w/ creditor seeking to serve statement of claim on company; advise we cant accept service; email corresp re no forum to file a claim                               | 720.00   |
|         |                        | November 10, 2016 | Brandon Smith | 0.7   | Telcon w. Paul Stewart and Mor Lev re appraisal and land issues  | 262.50   |
|         |                        | November 15, 2016 | Ira Smith     | 0.4   | Emails w. Ron Melvin et al re cell phone tower   | 180.00   |
|         |                        | November 15, 2016 | Ira Smith     | 0.2   | meeting w. ron viele   | 90.00    |
|         |                        | November 16, 2016 | Ira Smith     | 0.5   | Emails w. Ron Melvin et al, telcon w. D. Brooker   | 225.00   |
|         |                        | November 16, 2016 | Ira Smith     | 0.7   | Telcon from Ron Viele re potential buyer   | 315.00   |
|         |                        | November 17, 2016 | Ira Smith     | 0.4   | Rvw and comments/changes to draft APS and email to David Brooker   | 180.00   |
|         |                        | November 24, 2016 | Ira Smith     | 1.1   | Telcon w. S. Graff re fee estimate for Court appointment sales process   | 495.00   |
|         |                        | November 24, 2016 | Ira Smith     | 0.2   | Telcon w. D. Brooker re amendments to draft APS, David to put in one final change, send to Ron Melvin and suggest conference call after Ron has had a chance to review | 90.00    |
|         |                        | November 28, 2016 | Ira Smith     | 0.4   | Emails w. S. Graff and Vector re payout numbers  | 180.00   |
|         |                        | November 28, 2016 | Ira Smith     | 0.2   | Conf call with David Brooker and Ron Melvin re GT draft APS  | 90.00    |
|         |                        | November 30, 2016 | Ira Smith     | 0.8   | Calc of funds required to pay out Vector, liens, receiver and legal fees as of today   | 360.00   |
|         |                        | November 30, 2016 | Ira Smith     | 0.2   | Telcons w. David Brooker re draft appraisal, Vector, GT , Olympia  | 90.00    |



Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 31/08/2016 to 09/12/2016

| Keyname | Date             | Employee                    | Hours              | Remark  | Amount           |
|---------|------------------|-----------------------------|--------------------|---|------------------|
| R-VCI   | December 9, 2016 | Ira Smith                   | 0.3                | Telcons w. David Brooker re draft appraisal, Vector, GT , Olympia | 135.00           |
|         |                  |                             | <b>34.8</b>        |   | <b>15,607.50</b> |
|         |                  | <b>Employee Name</b>        | <b>Total Hours</b> | <b>Hourly Rate</b>  | <b>\$</b>        |
|         |                  | Ira Smith                   | 34.1               | 450.00  | 15,345.00        |
|         |                  | Brandon Smith               | 0.7                | 375.00  | 262.50           |
|         |                  | <b>Total:</b>               | <b>34.8</b>        |   | <b>15,607.50</b> |
|         |                  | <b>Average hourly rate:</b> | <b>\$</b>          | <b>448.49</b>   |                  |



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

**R-VCI**

February 15, 2017

**VAUGHAN CROSSINGS INC.**

GST/HST # 86236 5699

For professional services rendered for the period from December 10, 2016 to February 14, 2017 inclusive, in acting as Receiver of the assets, properties and undertaking of Vaughan Crossings Inc. as follows (detail attached):

| <u>Staff</u>                                | <u>Hourly rate</u> | <u>Hours</u> |                     |
|---|--------------------|--------------|---------------------|
| I. Smith, President and Trustee             | \$450              | 20.3         |                     |
| B. Smith, Senior Vice-President and Trustee | \$375              | <u>1.0</u>   |                     |
|   |                    | <u>21.3</u>  |                     |
|   |                    |              | \$ 9,510.00         |
| <br>Disbursements:                          |                    |              |                     |
| Travel/Mileage and Parking                  | 57.29              |              |                     |
| Courier                                     | <u>19.00</u>       |              |                     |
|   |                    |              | <u>76.29</u>        |
|   |                    |              | \$ 9,586.29         |
|   |                    |              |                     |
|   | HST                |              | <u>1,246.22</u>     |
|   |                    |              | <u>\$ 10,832.51</u> |

Account Due When Rendered

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 09/12/2016 to 14/02/2017

| Keyname | Date              | Employee  | Hours | Full Estate Name       | Remark  | Amount |
|---------|-------------------|-----------|-------|------------------------|---|--------|
| R-VCI   |                   |           |       | Vaughan Crossings Inc. |   | \$     |
|         | December 12, 2016 | Ira Smith |       |                        | 0.4 billing package to Vector and Scollard c/o GT   | 180.00 |
|         | December 13, 2016 | Ira Smith |       |                        | 0.4 Dennis Jewitt telcon  | 180.00 |
|         | December 13, 2016 | Ira Smith |       |                        | 0.2 Telcon w. Ron Melvin, Mickey Baratz and Frank Laurie re next steps  | 90.00  |
|         | December 14, 2016 | Ira Smith |       |                        | 0.4 Email from and to Frank Laurie et al re his conversation with Downing Street and offer for freehold land  | 180.00 |
|         | December 14, 2016 | Ira Smith |       |                        | 0.6 Telcon from R. Melvin, letter from R. Melvin re Vector desire to get on with a sales process  | 270.00 |
|         | December 18, 2016 | Ira Smith |       |                        | 0.3 Email to S. Graff et al re GT's failure to adopt, disclaim or act under the Joint Retainer and putting them on notice that Receiver can call default    | 135.00 |
|         | December 19, 2016 | Ira Smith |       |                        | 0.3 Rcpt and rvw from D. Goldband of GT's calculations of proposed payout under a Scollard investor deal  | 135.00 |
|         | December 20, 2016 | Ira Smith |       |                        | 0.2 Voicemail and follow up email to Ian Aversa   | 90.00  |
|         | December 21, 2016 | Ira Smith |       |                        | 0.6 Telcon w. Ian Aversa, Steven Graff re current status in GT administration, apparent lack of any GT action tto date, and GT default under Joint Retainer | 270.00 |
|         | December 22, 2016 | Ira Smith |       |                        | 0.4 Email to S.Graff, I Aversa and GT re GT breach under Joint Retainer agreement   | 180.00 |
|         | December 23, 2016 | Ira Smith |       |                        | 0.9 Reply email from S. Graff re GT default under joint agreement, review of same, forward to D. Brooker, telcon w. D. Brooker re same                      | 405.00 |
|         | December 26, 2016 | Ira Smith |       |                        | 0.1 Rvw of email from F. Laurie re thoughts on current Vaughan Crossings situation  | 45.00  |
|         | January 3, 2017   | Ira Smith |       |                        | 0.2 Rcpt and rvw of Ro Viele Royal LePage listing proposal  | 90.00  |
|         | January 4, 2017   | Ira Smith |       |                        | 0.1 forwarding of Ron Viele proposal prior to Vector conference call  | 45.00  |

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 09/12/2016 to 14/02/2017

| Keyname<br>R-VCI | Full Estate Name<br>Vaughan Crossings Inc. | Date              | Employee      | Hours | Remark  | Amount<br>\$ |
|------------------|--|-------------------|---------------|-------|---|--------------|
|                  |  | January 4, 2017   | Ira Smith     |       | Conf call w. F. Laurie, M. Baratz, R. Melvin and D. Brooker re S. Graff<br>0.6 position as in his email and need for Court appointment to sell freehold<br>and VCI iinterest in the leasehold | 270.00       |
|                  |  | January 9, 2017   | Ira Smith     |       | Rvw of D. Brooker draft letter to S. Graff and reply with suggested<br>0.2 changes  | 90.00        |
|                  |  | January 16, 2017  | Ira Smith     |       | Drafting first draft of putative court-appointed receiver's report and<br>3.1 email to D. Brooker for comments, telcon w. D. Brooker re items to be<br>contained in draft report              | 1,395.00     |
|                  |  | January 18, 2017  | Brandon Smith |       | 0.3 review draft report of putative receiver and make edit  | 112.50       |
|                  |  | January 18, 2017  | Ira Smith     |       | 1.8 Update of Putative Receiver Report and circulate to legal counsel for<br>comments   | 810.00       |
|                  |  | January 19, 2017  | Brandon Smith |       | 0.5 finalize and sign report and consent, send to brooker   | 187.50       |
|                  |  | January 19, 2017  | Ira Smith     |       | 0.7 Final update to Putative Receiver Report  | 315.00       |
|                  |  | February 2, 2017  | ira Smith     |       | Emails, telcons w. P. Stewart, review of various drafts re leasehold land,<br>1.1 communications not approving various drafts, finalize and approve final<br>draft                            | 495.00       |
|                  |  | February 2, 2017  | Ira Smith     |       | 0.6 Telcons w. D. Brooker and R. Melvin re appraisal  | 270.00       |
|                  |  | February 3, 2017  | Brandon Smith |       | 0.2 rcpt of funds from vector re insurance  | 75.00        |
|                  |  | February 7, 2017  | Ira Smith     |       | 0.3 Letter to Masters Insurance re coverage and encl cheque   | 135.00       |
|                  |  | February 13, 2017 | Ira Smith     |       | 0.5 Conf call w. David Brooker, Ron Melvin, Frank Laurie and Mickey Baratz  | 225.00       |
|                  |  | February 13, 2017 | Ira Smith     |       | 2.3 Prep of First Supp Report and email to R. Melvin for factual accuracy and<br>to D. Brooker for comments   | 1,035.00     |
|                  |  | February 14, 2017 | Ira Smith     |       | 3.8 Travel to and from Court and attend before Madam Justice Conway re<br>Court appt effective March 1  | 1,710.00     |
|                  |  | February 14, 2017 | Ira Smith     |       | 0.1 Rcpt and rvw of email from Aird & Berlis attaching sale documents   | 45.00        |
|                  |  | February 14, 2017 | Ira Smith     |       | 0.1 Telcon w. D. Brooker re billings and rvw of documents emailed out by<br>A&B   | 45.00        |





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

**R-VCI**

April 3, 2017

**VAUGHAN CROSSINGS INC.**

GST/HST # 86236 5699

For professional services rendered for the period from February 21, 2017 to March 31, 2017 inclusive, in acting as Court-appointed Receiver of the assets, properties and undertaking of Vaughan Crossings Inc. as follows (detail attached):

| <u>Staff</u>                    | <u>Hourly rate</u> | <u>Hours</u> |                     |
|---------------------------------|--------------------|--------------|---------------------|
| I. Smith, President and Trustee | \$450              | 31.4         |                     |
|                                 |                    |              | \$ 14,130.00        |
| <b>Disbursements:</b>           |                    |              |                     |
| Website                         | \$1,412.50         |              |                     |
| Postage                         | 1.19               |              |                     |
| Courier                         | <u>36.00</u>       |              |                     |
|                                 |                    |              | <u>1,449.69</u>     |
|                                 |                    |              | \$ 15,579.69        |
|                                 | HST                |              | <u>2,025.36</u>     |
|                                 |                    |              | <u>\$ 17,605.05</u> |

Account Due When Rendered

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 21/02/2017 to 31/03/2017

Full Estate Name  
Vaughan Crossings Inc.

|                   | Employee  | Hours | Remark  | Amount   |
|-------------------|-----------|-------|---|----------|
|                   |           |       |   | \$       |
| February 21, 2017 | Ira Smith | 0.4   | Telcon w. M. Cass re his telcon w. R. Melvin Friday PM and need for review and discussion on current draft of APS   | 180.00   |
| February 21, 2017 | Ira Smith | 2.4   | Rvw and comments to the new draft APS received from A&B and email to Messrs Brooker and Cass re same  | 1,080.00 |
| February 22, 2017 | Ira Smith | 0.3   | Telcon w. M. Cass re draft APS and need for D. Brooker to review also after Court today   | 135.00   |
| February 22, 2017 | Ira Smith | 1.3   | Complete rvw of draft APS and email to Messrs. Cass and Brooker with my comments  | 585.00   |
| February 22, 2017 | Ira Smith | 1.0   | Telcon w. Michael Cass going over his suggested changes and mine, he will speak to D. Brooker after he returns from Court for his changes and will then get out a memo to Ian Aversa tomorrow | 450.00   |
| February 23, 2017 | Ira Smith | 1.2   | Telcon w. M. Cass and various emails re investor APS  | 540.00   |
| February 24, 2017 | Ira Smith | 0.8   | Telcons w. counsel and review of emails and draft documents   | 360.00   |
| February 27, 2017 | Ira Smith | 1.4   | Rvw of new draft APS, telcon w. M. Cass re same, rvw of various emails  | 630.00   |
| February 28, 2017 | Ira Smith | 0.7   | Rvw of various emails re draft docs, email w. legal counsel re call Wednesday AM  | 315.00   |
| March 1, 2017     | Ira Smith | 2.1   | Telcon w. David Brooker, analysis re o/s fees, email to D. Brooker re same, telcon w. M. Cass re draft APS and o/s tax arrears, email to M. Cass re same, rvw of emails re draft docs         | 945.00   |
| March 14, 2017    | Ira Smith | 0.1   | Telcon w. D. Brooker re billings and rvw of documents emailed out by A&B  | 45.00    |
| March 15, 2017    | Ira Smith | 0.1   | Email from R. Melvin re lien releases and financing commitment letter   | 45.00    |
| March 16, 2017    | Ira Smith | 0.4   | Telcon w. D. Brooker and M. Cass re recent emails providing updated draft commitment letter, rvw of same, discussion of same and determining Receiver's requirements                          | 180.00   |

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 21/02/2017 to 31/03/2017

Full Estate Name  
Vaughan Crossings Inc.

|                | Employee  | Hours | Remark   | \$ Amount |
|----------------|-----------|-------|--|-----------|
| March 17, 2017 | Ira Smith | 0.4   | Rvw of email from J. Nemers and begin rvw of APS, telcon w. M. Cass re APS deficiencies  | 180.00    |
| March 20, 2017 | Ira Smith | 0.6   | Rvw of D. Brooker comments on latest APS, telcon from M. Cass re amendments to APS Reciever requires   | 270.00    |
| March 20, 2017 | Ira Smith | 1.4   | memo to M. Cass re issues w. current draft of APS, email to M. Cass and D. Brooker, telcon from D. Brooker re same   | 630.00    |
| March 20, 2017 | Ira Smith | 0.4   | Email from J. Nemers, revised cash on closing calculation, email to J. Nemers et al on still not enough cash on closing  | 180.00    |
| March 20, 2017 | Ira Smith | 0.6   | conf call w. M. Baratz, R. Melvin, D. Brooker  | 270.00    |
| March 20, 2017 | Ira Smith | 0.3   | telcon from D. Brooker to discuss certain issues after conf call   | 135.00    |
| March 20, 2017 | Ira Smith | 0.2   | Call from D. Jewitt re funding of certain costs in APS   | 90.00     |
| March 20, 2017 | Ira Smith | 0.2   | telcon from D. Jewitt re funds on closing and treatment of deposit   | 90.00     |
| March 21, 2017 | Ira Smith | 0.8   | Rcpt of email from D. Brooker w. new draft of APS et al, rvw of new draft, calc to make sure that there is sufficient cash in the deal, telcon from D. Brooker re same and discussion of timing for Report to Court  | 360.00    |
| March 21, 2017 | Ira Smith | 0.4   | Various emails regarding APS and quit claims from both J. Nemers and D. Brooker  | 180.00    |
| March 22, 2017 | Ira Smith | 0.6   | various emails re deal flow and document signing   | 270.00    |
| March 22, 2017 | Ira Smith | 0.2   | Reply to Brooker emails re APS and transaction closing   | 90.00     |
| March 22, 2017 | Ira Smith | 0.4   | Telcon from D. Brooker re deal, APS, timing for Court approval and need to begin report to court   | 180.00    |
| March 23, 2017 | Ira Smith | 0.6   | Emails from J. Nemers, D. Brooker and R. Melvin w.r.t. various documents being signed, email from D. Brooker re new signing page for APS, signing new signing page and email to D. Brooker enclosing new signed page | 270.00    |



## Ira Smith Trustee &amp; Receiver Inc.

## Detail Time Sheet

Period from: 21/02/2017 to 31/03/2017

| Full Estate Name<br>Vaughan Crossings Inc. | Employee  | Hours | Remark  | \$<br>Amount |
|--|-----------|-------|---|--------------|
|  | Ira Smith | 0.4   | Email from D. Brooker re dissenting email from head of Scollard investors committee, telcon from D. Brooker re same w. rvw of APS for "full authority" clause   | 180.00       |
|  | Ira Smith | 0.3   | Telcon w. D. Jewitt re investor opposition email issue  | 135.00       |
|  | Ira Smith | 0.1   | Telcon w. D. Brooker advising him of telcon w. D. Jewitt telcon w. D. Brooker and M. Cass re various emails, apparent breach to happen later today by GT, need to have conf call w. R. Melvin et al to determine senior secured creditor's position | 45.00        |
|  | Ira Smith | 0.4   | Conf call w. D. Brooker, M. Cass, R. Melvin re APS issues and senior secured creditor's views   | 180.00       |
|  | Ira Smith | 0.7   | telcon w. D. Brooker and M. Cass after conf call to go over one more issue and confirm instructions   | 315.00       |
|  | Ira Smith | 0.2   | conf call w. D. Brooker, M. Cass, R. Melvin and M. Baratz re Purchaser's breach, Mickey's telcon w. R. Shiller of Downing Street, what Vector will support going forward and plan for communicating with A&B et al                                  | 90.00        |
|  | Ira Smith | 0.4   | rvw and reply to various A&B emails re Purchaser's breach and need to get deal back on track  | 180.00       |
|  | Ira Smith | 0.2   | Work on Receiver's report to court, recpt and rvw of new APS, check calculations to ensure there is sufficient cash in the transaction and email findings to Messrs. Brooker, Cass and Melvin   | 90.00        |
|  | Ira Smith | 3.6   | Telcon from M. Cass re emails of this evening re revised docs   | 1,620.00     |
|  | Ira Smith | 0.3   | Completion of Volume 1 of draft Receiver's report to Court  | 135.00       |
|  | Ira Smith | 2.7   | Write volume 2 of First report, amendments to Volume 1, email to Messrs. Cass and Brooker for their comments and/or amendments  | 1,215.00     |
|  | Ira Smith | 2.8   |   | 1,260.00     |
|  | Ira Smith | 31.4  |   | 14,130.00    |

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 21/02/2017 to 31/03/2017

Full Estate Name  
Vaughan Crossings Inc.

| Employee             | Hours              | Remark | Amount             |
|----------------------|--------------------|--------|--------------------|
| <b>Employee Name</b> | <b>Total Hours</b> |        | <b>Hourly Rate</b> |
| Ira Smith            | 31.4               |        | 450.00             |
| <b>Total:</b>        | <b>31.4</b>        |        | <b>14,130.00</b>   |

**Average hourly rate: \$ 450.00**

**VECTOR FINANCIAL SERVICES LIMITED**  
Applicant

-and-

**VAUGHAN CROSSINGS INC.**  
Respondent

Court File No. CV-17-11670-00CL

**THE SUPERINTENDENT OF FINANCIAL SERVICES**  
Applicant

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET)**  
**TRUSTEE CORPORATION ET AL**  
Respondents

Court File No. CV-16-11567-00CL

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

**PROCEEDING COMMENCED AT**  
**TORONTO**

**AFFIDAVIT OF IRA SMITH**  
**(Sworn April 3, 2017)**

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

**Ira Smith MBA CPA CA CIRP, LIT**  
Tel: 905-738-4167  
Fax: 905-738-9848

**Court-appointed receiver of**  
**Vaughan Crossings Inc.**

# TAB M

Court File No. CV-17-11670-00CL  
 Court File No. CV-16-11567-00CL

**ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 COMMERCIAL LIST**

BETWEEN:

**VECTOR FINANCIAL SERVICES LIMITED**

Applicant

- and -

**VAUGHAN CROSSINGS INC.**

Respondent

- AND -

BETWEEN:

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

Applicant

- and -

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION, 2223947 ONTARIO LIMITED, MC TRUSTEE (KITCHENER) LTD., SCOLLARD TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION, 7743718 CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

Respondents

APPLICATION UNDER Section 37 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, S.O. 2006, c.29 and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43.

**AFFIDAVIT**

I, Michael Cass, of the City of Vaughan, in the Regional Municipality of York, MAKE

OATH AND SAY:

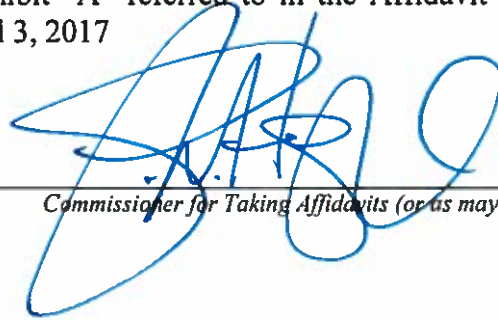
1. I am a Lawyer with the law firm of Steinberg Title Hope & Israel (“STHI”), the lawyers for Ira Smith Trustee & Receiver Inc., the court appointed Receiver of the Respondent and, as such, have knowledge of the matters contained in this affidavit.
2. Pursuant to the Order of the Honourable Mr. Justice Conway dated February 14, 2017 (the “Appointment Order”), Ira Smith Trustee & Receiver Inc. was appointed as Receiver of all the properties, undertakings and assets (the “Property”) of the respondents 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 STHI with respect to legal services rendered as independent counsel to the Receiver in connection with the receivership proceedings during the period from August 25, 2016 to March 31, 2017 (the “Period”). Attached hereto as **Exhibit “A”** is a record of the legal services rendered by STHI to the Receiver together with the disbursements incurred in connection therewith for the Period. To the best of my knowledge, the Record attached as Exhibit “A” provides a fair and accurate description of the activities undertaken and the services rendered by STHI on behalf of the Receiver during the Period.
4. Attached hereto as **Exhibit “B”** is a summary of the names, years of call (where applicable), hourly rates and time expended by the lawyers and other professionals at STHI whose services are reflected in the time dockets in Exhibit “A”, together with an estimate of the costs to complete after March 31, 2017.
5. To the best of my knowledge, the rates charged by STHI 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 April  
3, 2017

\_\_\_\_\_  
Commissioner for Taking Affidavits  
(or as may be)

} \_\_\_\_\_  
MICHAEL CASS

This is Exhibit "A" referred to in the Affidavit of Michael Cass  
sworn April 3, 2017

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

---

*Commissioner for Taking Affidavits (or as may be)*

March 31, 2017

**RE: Receivership of Vaughan Crossings Inc.**

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

|                  |           |  |      |          |
|------------------|-----------|--|------|----------|
| <b>Aug 25/16</b> | <b>DB</b> | Review of email from I. Smith re changes to joint agreement and retainer; review of emails from D. Jewitt and R. Melvin re same; email to all parties re agreements;   | 0.50 | \$237.50 |
| <b>Sep 06/16</b> | <b>DB</b> | Telephone conversation with I. Smith re current status of agreements; teleconference with counsel and parties re current status, lease default and moving forward; review of file including recent emails received in preparation of conference;   | 1.10 | \$522.50 |
| <b>Sep 08/16</b> | <b>DB</b> | Review of several emails from I. Smith re communications with landlords' lawyer, position on default and possible outcomes; review of further emails from G. Harris and D. Jewitt in response to same; telephone conversation with I. Smith re land leases, effect on potential sale and position of same; | 0.50 | \$237.50 |
| <b>Sep 09/16</b> | <b>DB</b> | Review of email from R. Melvin; review of ground lease; email to counsel and parties re comments on landlords' position re default;  | 0.40 | \$190.00 |
| <b>Sep 13/16</b> | <b>DB</b> | Telephone conversation with I. Smith re current status, response from landlord counsel;  | 0.10 | \$47.50  |
| <b>Sep 15/16</b> | <b>DB</b> | Review of email from R. Melvin with landlord default letter; email to counsel re waiting for OT to sign retainer and joint agreement;  | 0.10 | \$47.50  |
| <b>Sep 19/16</b> | <b>DB</b> | Review of email from I. Smith with signed retainer and joint agreements; review of email from I. Smith with letter from landlord counsel, documents required for administration;   | 0.30 | \$142.50 |
| <b>Sep 20/16</b> | <b>DB</b> | Review of email from I. Smith re status; email to I. Smith with lien claim particulars; review of email from R. Melvin to I. Smith re parcel register; telephone conversation with I. Smith re current status, information re stalking horse bid and timing of same;                                       | 0.80 | \$380.00 |
| <b>Sep 22/16</b> | <b>DB</b> | Review of email from R. Melvin with landlord notice letters to lien claimants under Construction Lien Act; email to R. Melvin, M. Baratz and I. Smith re requirements under CLA for notice;  | 0.40 | \$190.00 |
| <b>Sep 26/16</b> | <b>DB</b> | Review of email from I. Smith with update on receivership;   | 0.10 | \$47.50  |
| <b>Sep 29/16</b> | <b>DB</b> | Review of email from I. Smith with report; review of further emails from R. Melvin and I. Smith re contents of report and response to same;  | 0.20 | \$95.00  |



|           |    |   |      | 206        |
|-----------|----|---|------|------------|
| Oct 11/16 | DB | Review of email from I. Smith re stalking horse agreement;  | 0.10 | \$47.50    |
| Oct 13/16 | DB | Review of email from R. Melvin re timing on stalking horse bid and moving ahead with receivership;  | 0.10 | \$47.50    |
| Oct 14/16 | DB | Review of draft stalking horse agreement and of file re same; email exchange with I. Smith re stalking horse agreement and forwarding of agreement with comments;   | 1.50 | \$712.50   |
| Oct 17/16 | DB | Review of email from I. Smith re draft stalking horse agreement; telephone conversation with I. Smith re same;  | 0.60 | \$285.00   |
| Oct 18/16 | DB | Email exchange with I. Smith re stalking horse agreement; further review of file re terms of settlement; review of email from counsel and further email to I. Smith re stalking horse;  | 0.70 | \$332.50   |
| Oct 19/16 | DB | Review of email from I. Smith re forwarding of Jewitt email; review of file and draft of email to stakeholders and counsel re stalking horse bid and APS;   | 0.80 | \$380.00   |
| Oct 20/16 | DB | Telephone conversation with D. Jewitt re stalking horse bid; telephone conversation with I. Smith re conversation with Jewitt; review of email from I. Smith to parties re appraiser and related matters;   | 1.10 | \$522.50   |
| Oct 21/16 | DB | Several telephone conversations with D. Jewitt re proposed stalking horse bid; telephone conversation with I. Smith re bid; conference call with D. Jewitt and I. Smith re stalking horse bid - signed copy to be presented; review of email from R. Melvin re review of bid;                             | 1.30 | \$617.50   |
| Oct 24/16 | DB | Review of email from creditor re status; telephone conversation with I. Smith re his conversation with creditor counsel;  | 0.30 | \$142.50   |
| Oct 25/16 | DB | Email to creditors and parties re receipt of stalking horse bid; review of email from D. Jewitt with executed stalking horse bid; email exchanges with I. Smith re bid; telephone conversation with I. Smith re contents of bid; email to R. Melvin with copy of bid and teleconference with him re same; | 1.20 | \$570.00   |
| Oct 27/16 | DB | Review of email from R. Melvin re conversation with G. Harris; review of further email from R. Melvin with orders made in Scollard receivership proceeding; review and exchange of further emails with I. Smith and creditor;   | 0.50 | \$237.50   |
| Oct 28/16 | DB | Review of email from R. Melvin re update on call with Jewitt and S. Graff; telephone conversation with R. Melvin re status and upcoming meeting; telephone conversation with I. Smith reporting on same and receiving update as to status of sale;  | 0.80 | \$380.00   |
| Nov 01/16 | DB | Review of email from S. Graff;  | 0.10 | \$47.50    |
| Nov 02/16 | DB | Telephone conversation with I. Smith re meeting; attendance at Aird and Berlis for meeting with Grant Thornton representatives and counsel, Vector representatives and counsel and I. Smith re issues of Scollard trusteeship, sale of assets and to answer inquiries re current status;                  | 3.60 | \$1,710.00 |

|           |    |  |      | 207      |
|-----------|----|--|------|----------|
| Nov 08/16 | DB | Review of email from I. Smith re appraiser retainer; review of file;   | 0.20 | \$95.00  |
| Nov 10/16 | DB | Review of email from M. Baratz with Planner's opinion letter re rezoning for residential; review of several emails re letter and email to I. Smith and parties re status and next steps;   | 0.40 | \$190.00 |
| Nov 15/16 | DB | Review of emails from I. Smith re cell tower on property and update; review of further emails from R. Melvin and M. Baratz re same;  | 0.20 | \$95.00  |
| Nov 16/16 | DB | Review of emails from R. Melvin re landlord notice; further review of emails re current status of Scollard Trustee position; telephone conversation with I. Smith re current status;   | 0.30 | \$142.50 |
| Nov 21/16 | DB | Email exchange re phone call with S. Graff; review of Meisels emails and email to Vector, R. Melvin; email exchange with I. Smith re appointment and email to A. Meisels re same;  | 0.50 | \$237.50 |
| Nov 22/16 | DB | Teleconference with S. Graff and R. Melvin re Trustee's position on security and current status, including plan to move forward with realization, court proceedings and related matters;   | 0.80 | \$380.00 |
| Nov 23/16 | DB | Review of email from R. Melvin re summary of call with S. Graff and response thereto; review of email from R. Melvin re leasehold interest, possible positions and response thereto; summary review of email from I. Aversa with draft documents and response thereto;         | 0.30 | \$142.50 |
| Nov 24/16 | DB | Review of draft documents received from Grant Thornton including draft APS and mortgage commitment; review of file; email to I. Smith re comments on GT documents; review of emails from R. Melvin re landlord position;   | 1.40 | \$665.00 |
| Nov 28/16 | DB | Teleconference with I. Smith re APS received from Grant Thornton and further revisions to same; review of email from R. Melvin to S. Graff re Vector indebtedness and potential costs going forward; further revisions to draft APS; email to R. Melvin with APS and comments; | 0.90 | \$427.50 |
| Nov 29/16 | DB | Review of email from R. Melvin re APS; email exchange re call;   | 0.10 | \$47.50  |
| Nov 30/16 | DB | Teleconference with I. Smith and R. Melvin re APS from Trustee; review of calculation of indebtedness received from I. Smith; email exchange with Trustee counsel re review of APS;  | 1.10 | \$522.50 |
| Dec 02/16 | DB | Review of email from I. Smith to S. Graff re outstanding debt to Vector;   | 0.10 | \$47.50  |
| Dec 09/16 | DB | Telephone conversation with I. Smith re [REDACTED] review of email from I. Smith re same; further telephone conversation with I. Smith and counsel;  | 0.80 | \$380.00 |
| Dec 12/16 | DB | Review of file; dictation of letter to S. Graff re Scollard and joint agreement;   | 0.40 | \$190.00 |

|                  |    |   |      | 208        |
|------------------|----|---|------|------------|
| <b>Dec 13/16</b> | DB | Review and revision of draft letter to Graff; review of emails from I. Smith and R. Melvin re same;   | 0.20 | \$95.00    |
| <b>Dec 14/16</b> | DB | Telephone conversation with R. Melvin re Vector's position on moving ahead with realization; review of letter from R. Melvin to S. Graff re same;   | 0.30 | \$142.50   |
| <b>Dec 15/16</b> | DB | Email exchange with I. Smith and R. Melvin re contact from Scollard;  | 0.10 | \$47.50    |
| <b>Dec 19/16</b> | DB | Review of emails from I. Smith to D. Jewitt and Scollard Trustee;   | 0.20 | \$95.00    |
| <b>Dec 20/16</b> | DB | Several email exchanges with counsel, client and creditor re Scollard APS, joint retainer and joint appointment; review of Trustee order;   | 1.60 | \$760.00   |
| <b>Dec 22/16</b> | DB | Review of emails from I. Smith re discussions with GT and moving forward with security realization;   | 0.20 | \$95.00    |
| <b>Jan 03/17</b> | DB | Review of several emails re trustee and current status; email exchange with I. Smith re status; review of joint retainer agreement; telephone conversation with I. Smith re agreement, position of Vector; telephone conversation with R. Melvin re retainer and trustee appointment order; | 1.40 | \$665.00   |
| <b>Jan 04/17</b> | DB | Teleconference with I. Smith, creditor and counsel re position of trustee and moving forward with appointment; follow up telephone conversation with I. Smith;  | 1.00 | \$475.00   |
| <b>Jan 05/17</b> | DB | Review of file; dictation of letter to S. Graff;  | 0.30 | \$142.50   |
| <b>Jan 06/17</b> | DB | Review of email from I. Aversa with draft documentation re Scollard sale; email to R. Melvin forwarding same; review of email from R. Melvin;   | 0.20 | \$95.00    |
| <b>Jan 09/17</b> | DB | Revision of letter to S. Graff; email to I. Smith and R. Melvin re finalization of letter; review of email from S. Graff re hearing; review of emails from I. Smith re summary of services; email to I. Smith re phone call;  | 0.50 | \$237.50   |
| <b>Jan 10/17</b> | DB | Telephone conversation with I. Smith re application, preparation for same and timing, speak with Vector; telephone conversation with R. Melvin re application and timing; telephone conversation with S. Graff re application;  | 0.60 | \$285.00   |
| <b>Jan 12/17</b> | DB | Review of file; partial draft of notice of application;   | 0.50 | \$237.50   |
| <b>Jan 13/17</b> | DB | Review of file and diction of notice of application re appointment;   | 1.60 | \$760.00   |
| <b>Jan 15/17</b> | DB | Review and revision of draft notice of application; email to I. Smith and R. Melvin with draft notice for review;   | 0.50 | \$237.50   |
| <b>Jan 16/17</b> | DB | Continuation of draft of application record including review of file and telephone conversation with I. Smith;  | 3.40 | \$1,615.00 |
| <b>Jan 17/17</b> | DB | Review and revision to notice of application; review of draft report; several emails with R. Melvin re draft application; email exchange with S. Graff;   | 1.30 | \$617.50   |
|                  | KS | Review of client documents and compile for exhibits to affidavit;   | 0.90 | \$112.50   |

|                  |           |  |      | 209        |
|------------------|-----------|--|------|------------|
| <b>Jan 18/17</b> | <b>DB</b> | Review and revision of draft affidavit of M. Baratz; review of draft receiver's report; email to R. Melvin, I. Smith and M. Baratz re draft documents; final review of notice of application;  | 1.50 | \$712.50   |
| <b>Jan 19/17</b> | <b>DB</b> | Review of emails from R. Melvin with revisions to affidavit; review and revision of affidavit; telephone conversation with R. Melvin re revisions to affidavit; finalization of affidavit; review of emails from Vector re amount owing under mortgage; conference with D. Krysik re attendance at Vector to commission affidavit; final review of application record; | 2.30 | \$1,092.50 |
|                  | <b>DK</b> | Travel to and attendance at Vector office to commission affidavit  | 1.30 | \$357.50   |
| <b>Jan 23/17</b> | <b>DB</b> | Telephone conversation with S. Thom re landlord position; email to I. Smith and R. Melvin re conversation; review of email from S. Thom and forwarding of same to I. Smith and R. Melvin; telephone conversation with R. Melvin re current status; review of email from I. Smith; review of Fifth Report of Scollard Trustee;  | 1.20 | \$570.00   |
| <b>Jan 24/17</b> | <b>DB</b> | Several conference calls with counsel and client re position of landlord on receiving payment; several telephone conversations with S. Thom re landlord's position on receivership; email exchanges with counsel, creditor and I. Smith re landlord's position and upcoming hearing;   | 2.10 | \$997.50   |
| <b>Jan 25/17</b> | <b>DB</b> | Several emails and telephone conversations with counsel re return of motion and agreement to adjourn; telephone conversation with R. Melvin re Vector will agree to adjourn to consider landlords' position;   | 0.50 | \$237.50   |
| <b>Jan 26/17</b> | <b>DB</b> | Attendance at Superior Court (Commercial List) for scheduling appointment and obtaining of return date (including travel); review of supplementary fourth report of Scollard Trustee;  | 2.60 | \$1,235.00 |
| <b>Jan 31/17</b> | <b>DB</b> | Email exchange with I. Aversa re order;  | 0.10 | \$47.50    |
| <b>Feb 02/17</b> | <b>DB</b> | Review of email from S. Thom re landlords' position on payment of lease during receivership; email to I. Smith re same; telephone conversation with I. Smith re status of appraisal; review of email from I. Smith re appraisal; review of email from R. Melvin re Thom email;   | 0.40 | \$190.00   |
| <b>Feb 06/17</b> | <b>DB</b> | Email exchange with S. Thom re position of Receiver on lease;  | 0.20 | \$95.00    |
| <b>Feb 07/17</b> | <b>DB</b> | Review of email from R. Melvin re instructions from Vector re non payment of lease; email exchange with S. Thom re Receiver's position on not funding lease and not seeking appointment over leasehold properties; email exchanges with assistant re billings; email to R. Melvin re billings; telephone conversation with I. Smith re update on file;                 | 0.80 | \$380.00   |
| <b>Feb 08/17</b> | <b>DB</b> | Review of appraisal emails;  | 0.10 | \$47.50    |

|  |           |   |             | 210                |
|--|-----------|---|-------------|--------------------|
| <b>Feb 10/17</b>                                   | <b>DB</b> | Review of email from S. Thom re order and forwarding of same to clients; review of email from R. Melvin re deal reached for sale; telephone conversation with I. Smith re Melvin email and future steps; telephone conversation with S. Thom re order; review of email from I. Smith re Melvin email and further exchange of email with Melvin and Vector re same;  | 0.70        | \$332.50           |
| <b>Feb 13/17</b>                                   | <b>DB</b> | Telephone conference with I. Smith, R. Melvin and Vector re Scollard investors' deal, timing and order; review of draft supplementary first report; draft of appointment order; review of records in preparation for hearing; all emails re order to be obtained, hearing and deal with Scollard investors;   | 2.60        | \$1,235.00         |
| <b>Feb 14/17</b>                                   | <b>DB</b> | Review of emails from S. Thom with revised order and further emails re same; telephone conversations with S. Thom re proposed revisions to draft order; further emails with R. Melvin and I. Smith re draft order and motion; attendance at Superior Court (Commercial List) for return of motion to appoint receiver and obtaining of endorsement re same including negotiations with parties at court (including travel); | 3.90        | \$1,852.50         |
|  | <b>DB</b> | Review of email from I. Aversa with draft documentation; conference with M. Cass re documents received and review of same; email to I. Aversa; telephone conversation with I. Smith re current status, order obtained;  | 0.30        | \$142.50           |
| <b>Total</b>                                       |           |   | <b>60.1</b> | <b>\$27,972.50</b> |
| <b>Fees Incurred After Appointment of Receiver</b> |           |   |             |                    |
| <b>Feb 15/17</b>                                   | <b>MC</b> | Conference with David Brooker (DB) re file; review o documents and status;  | 0.40        | \$190.00           |
| <b>Feb 17/17</b>                                   | <b>MC</b> | Telephone discussion with Ron Melvin (RM) re sale, background and status;   | 0.30        | \$142.50           |
| <b>Feb 21/17</b>                                   | <b>DB</b> | Short conference with M. Cass re agreement and review of counsel email re same;   | 0.10        | \$47.50            |
| <b>Feb 22/17</b>                                   | <b>DB</b> | Review of draft documents received from Grant Thornton; review of emails received from R. Melvin and I. Smith re comments on agreements;  | 0.70        | \$332.50           |
| <b>Feb 22/17</b>                                   | <b>MC</b> | Review of draft docs and mortgage commitment and APS and notes; review of comments from IS and RM re status and his comments; telephone discussion with RM re his concerns; correspondence with RM re his comments;   | 3.80        | \$1,805.00         |
| <b>Feb 23/17</b>                                   | <b>DB</b> | Review of transaction documentation; conference with M. Cass to review agreements re Scollard transaction; review of email from M. Cass to R. Melvin re issues with agreement; review of email from I. Smith re terms of agreement;   | 2.10        | \$997.50           |

|                  |           |   |      | 211        |
|------------------|-----------|---|------|------------|
| <b>Feb 23/17</b> | <b>MC</b> | Review of transaction documentation; conference with M. Cass to review agreements re Scollard transaction; review of email from M. Cass to R. Melvin re issues with agreement; review of email from I. Smith re terms of agreement;   | 2.10 | \$997.50   |
|                  |           | Meeting with DB re concerns on agreements; forwarding final memo re above; extensive correspondence re draft docs;  | 2.40 | \$1,140.00 |
| <b>Feb 24/17</b> | <b>MC</b> | Discussion with IS re memo and draft docs forwarding final memo with comments to solicitor for purchaser and lender;  | 1.40 | \$665.00   |
| <b>Feb 27/17</b> | <b>DB</b> | Conference with M. Cass re APS; review of draft documents received from J. Nemers including APS, draft order, and development agreement; review of several emails re draft documents;   | 2.50 | \$1,187.50 |
| <b>Feb 27/17</b> | <b>MC</b> | Meeting with DB re APS; review of additional docs from solicitor for purchaser, APS, court order, and development agreement;  | 1.60 | \$760.00   |
| <b>Feb 28/17</b> | <b>MC</b> | Receipt and review of correspondence and amendments from solicitor for purchaser re APS and closing documents; telephone discussion with RM re closing documents; telephone discussion with J. Nemers and I, Aversa re required closing documents and amendments; conference with DB re closing documents and outstanding issues; telephone discussion with IS re status and outstanding concerns and telephone discussion set up for March 1;    | 2.70 | \$1,282.50 |
| <b>Feb 28/17</b> | <b>DB</b> | Review of numerous emails with revisions to APS and other closing documents; telephone conversation with I. Aversa and J. Nemers re closing documents; telephone conversation with R. Melvin re closing documents; conference with M. Cass re closing documents; amendments to documents received;  | 3.10 | \$1,472.50 |
| <b>Mar 01/17</b> | <b>DB</b> | Email to all parties re issues re closing on sale; several conferences with M. Cass re terms of APS; telephone conversation with I. Smith re outstanding balances, future expenses and emails received re distribution; review of email from J. Nemers re status; review of emails from R. Melvin including re quit claims and other documentation;   | 2.10 | \$997.50   |
| <b>Mar 01/17</b> | <b>MC</b> | Telephone discussion with IS re draft APS and realty tax status report and review of tax bills; discussion with IS re taxes; conferences with DB re outstanding closing issues; review of correspondence from DB to all issues; review of emails re distribution and discussion with IS re concerns; review of correspondence from IS; memos re status; review of collateral documents and issues re construction lien status and ancillary docs; | 1.90 | \$902.50   |
| <b>Mar 02/17</b> | <b>DB</b> | Review of further emails re closing and conference with M. Cass re same and status; telephone conversation with I. Smith re status; telephone conversation with R. Melvin re transaction;   | 0.70 | \$332.50   |

|                  |    |   |      | 212      |
|------------------|----|---|------|----------|
| <b>Mar 02/17</b> | MC | Receipt and review of various emails re closing; meeting with DB re above; telephone discussion with RM re issues and status;   | 0.60 | \$285.00 |
| <b>Mar 03/17</b> | DB | Telephone conversation with M. Baratz re current state of negotiations; telephone conversation with I. Smith re conversation with D. Jewitt; review of emails from R. Melvin re documents on lien claimants; email to A. Meisels re obtaining documents;                      | 0.60 | \$285.00 |
| <b>Mar 03/17</b> | MC | Receipt and review of further correspondence from RM re lien claims;  | 0.50 | \$237.50 |
| <b>Mar 06/17</b> | DB | Email exchange with M. Baratz re obtaining lien documents and review of lien files; review of email from A. Meisels re 238 lien claim and response to same; email to M. Baratz with 238 documents and information;  | 0.60 | \$285.00 |
| <b>Mar 07/17</b> | DB | Email to R. Melvin re current status and review of response; telephone conversation with K. Movat re Kohn and negotiations; email to R. Melvin and I. Smith with summary of Movat conversation;   | 0.40 | \$190.00 |
| <b>Mar 08/17</b> | DB | Email exchange with I. Smith re status;   | 0.10 | \$47.50  |
| <b>Mar 10/17</b> | DB | Review of several emails re current status of negotiations including spreadsheet as prepared by D. Jewitt; telephone conversation with I. Smith re current status, possible closing;  | 0.50 | \$237.50 |
| <b>Mar 10/17</b> | MC | Receipt and review of numerous emails re status and negotiations including disbursement calculations by D Jewett; telephone discussion with IS re issues and timing of closing;   | 0.60 | \$285.00 |
| <b>Mar 13/17</b> | DB | Review of emails re update on status of negotiations;   | 0.30 | \$142.50 |
| <b>Mar 15/17</b> | DB | Review of emails re ongoing status and negotiations re sale including from I. Smith and R. Melvin; several telephone conversations with I. Smith re current status and requirements; telephone conversation with R. Melvin re current status;                                 | 0.80 | \$380.00 |
| <b>Mar 15/17</b> | MC | Review of correspondence re current status and negotiations from IS; telephone discussions with IS and RM re status and progress on issues;   | 0.80 | \$380.00 |
| <b>Mar 16/17</b> | DB | Review of revised documents as received from parties; teleconference with I. Smith and M. Cass re new documents received and current status; email exchanges with counsel re further requirements and finalization of documentation;  | 0.80 | \$380.00 |
| <b>Mar 16/17</b> | MC | Receipt and review of amended documents including mortgage commitment and APS; discussion with DB and telephone discussion with DB and IS re further documents and closing status; emails to other parties solicitors re additional requirements and completers of documents; | 0.70 | \$332.50 |

|                  |           |  |      | 213        |
|------------------|-----------|--|------|------------|
| <b>Mar 17/17</b> | <b>DB</b> | Review of several emails re revised agreements; review of revised APS and commitment; email to I. Smith and M. Cass re revisions; telephone conversation with R. Melvin re status;   | 1.60 | \$760.00   |
| <b>Mar 17/17</b> | <b>MC</b> | Review of further emails re amended agreements including mortgage commitments and APS and notes; emails from DB commentary, telephone discussion with RF re status; telephone discussion with IS re APS concerns;  | 1.50 | \$712.50   |
| <b>Mar 20/17</b> | <b>DB</b> | Review of several emails re update to documents; teleconference with creditor, I. Smith and counsel re current status and finalization of transaction; review and revision of APS and commitment and email exchanges with Trustee counsel re finalization of same; telephone conversation with J. Nemers re transaction; conferences with M. Cass re issues on deposit and APS; emails to I. Smith re status and finalization;   | 3.20 | \$1,520.00 |
| <b>Mar 20/17</b> | <b>MC</b> | Receipt and review of emails re further revisions to documents; review of documents; telephone discussion with IS re Receiver issues; receipt and review of email from JN re calculation of cash on closing; discussion with IS re further availability; review of correspondence from IS and JN, still insufficient cash ; conference with DB re funds issues re deposit and current APS;   | 2.60 | \$1,235.00 |
| <b>Mar 21/17</b> | <b>DB</b> | Review of several emails re finalization of documents for transaction; review of several revised drafts, changes to same and circulation; telephone conversations with J. Nemers re revision of documents; review of emails re quitclaims; telephone conversations with I. Smith re revised documents and review of amounts to be paid; conferences with M. Cass re finalization of documents and commitment; review of all other documents and telephone calls as required; | 3.10 | \$1,472.50 |
| <b>Mar 21/17</b> | <b>MC</b> | Review of further emails re finalizing documents; review of additional amended draft; discussion with DB re revisions; review of additional amendments and finalizing;   | 2.20 | \$1,045.00 |
| <b>Mar 22/17</b> | <b>DB</b> | Review of further revisions to agreements and documents; several emails with counsel and parties re quit claims and finalization; several telephone conversations with I. Smith re finalization of APS and documents; several telephone conversations with J. Nemers re finalization of documents for closing; emails to I. Smith and creditor re current status; conferences with M. Cass re status, timing of closing; review of service list and amendments to same;      | 2.70 | \$1,282.50 |
| <b>Mar 22/17</b> | <b>MC</b> | Review of further emails re finalizing of docs for transaction; review of further amended drafts and changes thereto; conference with DB re final amendments, status and closing;  | 1.20 | \$570.00   |



|                  |    |   |      | 214        |
|------------------|----|---|------|------------|
| <b>Mar 23/17</b> | DB | Review of several emails re draft documents; review of revised release from Scollard and email to creditor re same; telephone conversation with M. Baratz re release; telephone conversation with R. Melvin re release; review of emails from J. Nemers with final signed documents; forwarding of executed APS to all parties; several emails and telephone conversations with I. Smith re finalization;   | 1.90 | \$902.50   |
| <b>Mar 23/17</b> | MC | Review of emails re documents; review of email from JN with final executed documents;   | 0.30 | \$142.50   |
| <b>Mar 27/17</b> | DB | Review of email from investors' committee; telephone conversation with I. Smith re same; telephone call to J. Nemers; email to J. Nemers re status; telephone conversation with J. Nemers re status; email to I. Smith re conversation with J. Nemers;  | 0.80 | \$380.00   |
| <b>Mar 27/17</b> | MC | Review of correspondence from dissenting investor; review of APS re authority representation; review of email from Receiver re issues and position;   | 0.40 | \$190.00   |
| <b>Mar 28/17</b> | DB | Review of email from I. Smith re status; telephone conversation with R. Melvin re effect of investors' position; telephone conversation with I. Smith re call with D. Jewitt; review of email from R. Melvin to counsel; review of email from S. Jeffrey re possible extension;   | 0.60 | \$285.00   |
| <b>Mar 29/17</b> | DB | Several teleconferences with I. Smith, creditor counsel and M. Cass re current status, proposal by Downing Street for extension in email from S. Jeffrey; telephone conversation with S. Jeffrey re proposal; numerous emails between all counsel involved, I. Smith and M. Cass re payment of deposit, breach by purchaser, position re same; draft of letter to Aird & Berlis re breach and forwarding of draft to I. Smith, Vector and R. Melvin for review;   | 3.50 | \$1,662.50 |
|                  | MC | Several telephone with IS, DB and JM re current status; review of Lender proposal for day to day extension, further discussions re payment of deposit, pending breach of APS and strategy; discussion re draft of letter to Purchaser re breach on timing of delivering and review of draft;  | 2.30 | \$1,092.50 |
| <b>Mar 30/17</b> | DB | Conference call with I. Smith, M. Cass, creditor and creditor counsel re instructions to proceed with sale and motion; review of several emails re revisions to APS and related documentation; review of draft orders and email to J. Nemers re same; instructions to assistant re court date; several emails to parties re timeline and completion;  | 1.50 | \$712.50   |
|                  | MC | Review of emails from EM re new instructions from Lender and conference call; email to DB; telephone discussion with DB at home; email from S Jeffrey S Groff re position; correspondence from S Jeffrey re borrower default position; conference call with DB, RM & M Baratz re vendor position and closing; vm to IN and I Aversa (IA), email to IN and IA; vm to Groff; reporting to RM; telephone discussion with Groff re letter amendment respondent; telephone call from SJ re amending agreement; report to IS; receipt and review of amended | 2.20 | \$1,045.00 |

agreement; telephone discussion with RM & JS re approval; update to SJ re approval and default ; report to IS and RM;

|                           |           |  |             |                          |
|---------------------------|-----------|--|-------------|--------------------------|
| <b>Mar 31/17</b>          | <b>DB</b> | Draft to notice of motion; telephone conversation with J. Nemers re notice of motion and orders; telephone conversation with I. Smith re status of report; email to counsel re quitclaims; all further phone conversations and emails;   | <b>1.60</b> | <b>\$760.00</b>          |
|                           | <b>MC</b> | Review of numerous email re amendment; to amending agreement; telephone discussion with IS re terms and signature; receipt and review of final amendment; instruction Receiver to execute and return review and correspondence forwarding to all parties; correspondence to SJ to withdraw notice of Lender re Borrower default. | <b>1.20</b> | <b>\$570.00</b>          |
| <b>Total</b>              |           |  | <b>69.6</b> | <b>\$33,060.00</b>       |
| <b><i>To our fees</i></b> |           |  |             | <b>\$60,035.00</b>       |
| <b><i>HST @ 13%</i></b>   |           |  |             | <b><u>\$7,804.56</u></b> |

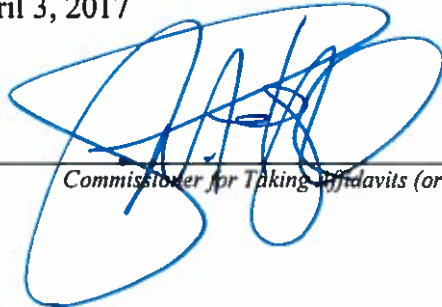
**Taxable Disbursements**

|                        |   |                        |
|------------------------|---|------------------------|
|                        | Teraview Search<br>-various parcel registers  | \$123.25               |
|                        | Oncorp Direct<br>-corporation profile report Vaughan Crossings Inc.                     | \$10.00                |
|                        | Courier(s)  | \$29.75                |
|                        | Photocopies   | \$860.65               |
| Omega Process Servers  | Conveyancing/Paralegal invoice 17-904<br>-to issue notice of application                | \$60.00                |
| Korbitec               | Conveyancing/Paralegal invoice 11842<br>-administration fee                             | \$100.00               |
| Omega Process Servers  | Conveyancing/Paralegal invoice 2040<br>-to serve and file application record            | \$387.44               |
| Bell Conferencing Inc. | conferencing call invoice 112516090   | \$32.25                |
|                        | Application<br>-to register order on title  | \$10.55                |
| Omega Process Servers  | Conveyancing/Paralegal invoice 4467<br>-to attempt to issue and enter appointment order | \$30.00                |
| Omega Process Servers  | Conveyancing/Paralegal invoice 5768<br>-to issue and enter appointment order            | \$52.96                |
|                        | <b><i>Total Taxable Disbursements</i></b>   | <b>\$1,696.85</b>      |
|                        | <b><i>HST on Disbursements</i></b>  | <b><u>\$220.59</u></b> |

**Non - Taxable Disbursements**

|                     |   |                        |
|---------------------|---|------------------------|
|                     | Teraview Search                                 | \$49.55                |
|                     | Oncorp Direct                                   | \$8.00                 |
| Minister of Finance | notice of application                           | \$220.00               |
| Minister of Finance | Motion Record re approval and vesting order     | \$160.00               |
|                     | Application                                     | \$63.35                |
|                     | <b><i>Total Non - Taxable Disbursements</i></b> | <b><u>\$500.90</u></b> |
|                     | <b><i>Total Disbursements &amp; HST</i></b>     | <b>\$2,401.39</b>      |

This is Exhibit "B" referred to in the Affidavit of Michael Cass  
sworn April 3, 2017

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

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*Commissioner for Taking Affidavits (or as may be)*

| <b>Fees and Disbursements Summary of Steinberg Title Hope &amp; Israel LLP<br/>for the period from August 25, 2016 to February 14, 2017</b> |                |                     |                    |                           |                          |
|---|----------------|---------------------|--------------------|---------------------------|--------------------------|
| <b>Name of Professional</b>   | <b>Initial</b> | <b>Year of Call</b> | <b>Hourly Rate</b> | <b>Total Hours Billed</b> | <b>Total Fees Billed</b> |
| David A. Brooker  | DB             | 1994                | \$475.00           | 57.60                     | \$27,360.00              |
| Daria Krysik  | DK             | 2013                | \$275.00           | 1.30                      | \$357.50                 |
| Karen Sampson   | KS             | Law Clerk           | \$125.00           | 0.90                      | \$112.50                 |
| <b>Total Fees</b>   |                |                     |                    |                           | <b>\$27,830.00</b>       |
| <b>Total Disbursements</b>  |                |                     |                    |                           | <b>\$1,865.14</b>        |
| <b>Total Fees and Disbursements excluding HST</b>   |                |                     |                    |                           | <b>\$29,695.14</b>       |
| <b>HST</b>  |                |                     |                    |                           | <b>\$3,824.29</b>        |
| <b>Total Fees and Disbursements including HST</b>   |                |                     |                    |                           | <b>\$33,519.43</b>       |

| <b>Fees and Disbursements Summary of Steinberg Title Hope &amp; Israel LLP<br/>for the period from February 15, 2017 to March 31, 2017</b> |                |                     |                    |                           |                          |
|--|----------------|---------------------|--------------------|---------------------------|--------------------------|
| <b>Name of Professional</b>  | <b>Initial</b> | <b>Year of Call</b> | <b>Hourly Rate</b> | <b>Total Hours Billed</b> | <b>Total Fees Billed</b> |
| David A. Brooker   | DB             | 1994                | \$475.00           | 36.20                     | \$17,195.00              |
| Michel Cass  | MC             | 1967                | \$475.00           | 31.60                     | \$15,010.00              |
| <b>Total Fees</b>  |                |                     |                    |                           | <b>\$32,205.00</b>       |
| <b>Total Disbursements</b>   |                |                     |                    |                           | <b>\$332.61</b>          |
| <b>Total Fees and Disbursements excluding HST</b>  |                |                     |                    |                           | <b>\$32,537.61</b>       |
| <b>HST</b>   |                |                     |                    |                           | <b>\$4,200.85</b>        |
| <b>Total Fees and Disbursements including HST</b>  |                |                     |                    |                           | <b>\$36,738.46</b>       |
| <b>Estimate to complete (excluding HST)</b>  | DB<br>MC       |                     | \$475.00           | 20.0                      | <b>\$9,500.00</b>        |
| <b>SUBTOTAL</b>  |                |                     |                    | <b>147.60</b>             | <b>\$46,238.46</b>       |
| <b>TOTAL</b>   |                |                     |                    |                           | <b>\$79,757.89</b>       |

**VECTOR FINANCIAL SERVICES LIMITED**  
Applicant

-and-

**VAUGHAN CROSSINGS INC.**  
Respondent

Court File No. CV-17-11670-00CL

**THE SUPERINTENDENT OF FINANCIAL SERVICES**  
Applicant

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET)**  
**TRUSTEE CORPORATION ET AL**  
Respondents

Court File No. CV-16-11567-00CL

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF MICHAEL CASS**  
**SWORN APRIL 3, 2017**

**STEINBERG TITLE 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,  
court appointed Receiver of the respondent

RCP-E-4C (May 1, 2016)

TAB N

**Ira Smith**

---

**From:** Michael Cass <mcass@sthilaw.com>  
**Sent:** April-03-17 2:55 PM  
**To:** Ira Smith  
**Cc:** David Brooker  
**Subject:** Vaughan Crossings Inc. Asset being 7850 Dufferin Street Vaughan, Ontario

Further to your request to review and provide you with our opinion as to validity and enforceability of certain charges and security interests granted by Vaughan Crossings Inc. upon above property , being pins 03274-0103 and 03274-0104 in Land Registry Office#65, we would advise as follows:

After due investigation it is our opinion that under the laws of Ontario the charge in favour of Vector Financial Services Limited registered as Instrument YR2092552 and the Assignment of Rents in favour of Vector Financial Services Limited ,Notice of which was registered as Instrument YR2092553, and General Security Agreement in favour of Vector Financial services Limited, notice of which was filed under Personal Property Security Act as no.20131209 1155 1862 constitute legal,valid and binding obligations of Vaughan Crossings Inc. enforceable against Vaughan Crossings Inc.in accordance with their terms.

After due investigation, it is our opinion that under the laws of Ontario, the charge in favour of Scollard Trustee Corporation registered as Instrument no.YR2048941 constitutes a legal valid and binding obligation of Vaughan Crossings Inc.,enforceable against Vaughan Crossings Inc. In accordance with its terms.

We confirm that the above security is subject to four perfected Construction Liens in litigation of which you are aware. We are unable to opine re the validity or amount of these encumbrances or the effect thereof upon the legal position of the above charges.

Our full opinion letters in our standard form shall follow shortly.

Regards

Michael Cass  
Steinberg Title Hope & Israel LLP  
5255 Yonge Street  
Suite 1100  
Toronto, ON M2N 6P4

Tel: 416-225-2777 ext. 234  
Fax: 416-225-7112  
E-mail: [mcass@sthilaw.com](mailto:mcass@sthilaw.com)

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# TAB O

**Schedule “A” – Form of Receiver’s Certificate**

Court File No. CV-17-11670-00CL  
Court File No. CV-16-11567-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N :**

**VECTOR FINANCIAL SERVICES LIMITED**

Applicant

- and -

**VAUGHAN CROSSINGS INC.**

Respondent

- AND -

**B E T W E E N :**

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

Applicant

- and -


**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION, 2223947 ONTARIO LIMITED, MC TRUSTEE (KITCHENER) LTD., SCOLLARD TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION, 7743718 CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

Respondents

**APPLICATION UNDER SECTION 37 OF THE  
*MORTGAGE BROKERAGES, LENDERS AND ADMINISTRATORS ACT, 2006, S.O. 2006,  
c. 29* and SECTION 101 OF THE *COURTS OF JUSTICE ACT, R.S.O. 1990 c. C.43***

**RECEIVER’S CERTIFICATE**

## RECITALS

- I. Pursuant to an Order of the Honourable Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated February 14, 2017 (the "**Vaughan Crossings Receivership Order**"), Ira Smith Trustee & Receiver Inc. ("**ISTR**") was appointed as receiver (in such capacity, the "**Receiver**"), without security, of all of the assets and undertakings of the Lands (as described in the Vaughan Crossings Receivership Order) and of all plans, permits, agreements, improvements and other personal property owned by Vaughan Crossings Inc. (the "**Debtor**") and relating to the Lands or the development and sale thereof (together with the Lands, the "**Property**").
- II. Pursuant to an Order of the Court dated April 10, 2017 (the "**AVO**"), the Court approved the agreement of purchase and sale, as amended, between the Receiver, Scollard Trustee Corporation ("**STC**") and STC in trust for a corporation to be formed dated March 22, 2017 (the "**Sale Agreement**"), and provided for the vesting in  [2569880 Ontario Limited](#) (the "**Purchaser**") of all the Debtor's right, title and interest in and to the Purchased Assets (as defined in the AVO), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction has been completed to the satisfaction of the Receiver.
- III. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**IRA SMITH TRUSTEE & RECEIVER INC.,**  
solely in its capacity as the Receiver, and not in its  
personal capacity or in any other capacity

Per:

Name:

Title:

**VECTOR FINANCIAL SERVICES LIMITED**  
Applicant

-and-

**VAUGHAN CROSSINGS INC.**  
Respondent

Court File No. CV-17-11670-00CL

**THE SUPERINTENDENT OF FINANCIAL SERVICES**  
Applicant

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET)**  
**TRUSTEE CORPORATION ET AL**  
Respondents

Court File No. CV-16-11567-00CL

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

PROCEEDING COMMENCED AT  
TORONTO

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**MOTION RECORD**

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**STEINBERG TITLE HOPE & ISRAEL LLP**

Barristers & Solicitors  
5255 Yonge Street, Suite 1100  
Toronto, ON M2N 6P4

**David A. Brooker (35787W)**

Tel: 416-225-2777

Fax: 416-225-7112

Lawyers for Ira Smith Trustee & Receiver Inc.,  
Court appointed Receiver of Vaughan Crossings Inc.