

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

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO. 118 CORP

Respondents

MOTION RECORD

Re: Discharge
(Motion Returnable October 5, 2021)

September 27, 2021

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TO: THE SERVICE LIST

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Court File No.: CV-20-00637687-00CL

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VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO 118 CORP

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-B-3,
s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and
Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

NOTICE OF MOTION

THE RECEIVER, RSM Canada Limited (the "Receiver"), will make a motion before Justice Cavanagh on October 5, 2021 at 11:30 am, or as soon after that time as the motion can be heard, at 330 University Ave., Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard via remote videoconference.

THE MOTION IS FOR:

1. An Order substantially in the form attached as Appendix "A" to this Notice of Motion:

- (a) approving the proposed Final Distribution (as defined below);
- (b) approving the Second Report and the Receiver's conduct and activities set out therein;
- (c) approving the Receiver's cash receipts and disbursements for the period September 18, 2020 to September 24, 2021 (the "**Interim R&D**")
- (d) approving the Receiver's Accounts, the Paliare Accounts, and the Cassels Accounts (all as defined herein);
- (e) terminating these proceedings and discharging the Receiver from the powers, duties and obligations attendant to its appointment as Receiver upon the filing of the Receiver's Discharge Certificate; and
- (f) authorizing the Receiver to pay any additional funds that it may receive in respect of the receivership administration, whether prior to or following the Receiver's discharge, in the manner set out below.

2. Such further relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:**A. Background**

3. On September 18, 2020, the Receiver was appointed as receiver, without security, of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario (the “**Property**”).

4. Paliare Roland Rosenberg Rothstein LLP (“**Paliare**”) is the Receiver’s independent legal counsel.

5. Cassels Brock & Blackwell LLP (“**Cassels**”) is counsel to the Receiver in respect of the sale of the Property.

6. The Property consists of vacant land, owned, prior to the sale of the Property by the Receiver, by the respondent Highyon Development No. 118 LP (“**Highyon LP**”), a real estate holding company. The respondent Highyon GP No. 118 Corp. (“**Highyon GP**”) and, together with Highyon LP, the “**Highyon Entities**” or the “**Debtors**”) is the general partner of Highyon LP

7. Vector Financial Services Limited held, as at the date of the appointment of the Receiver, a first mortgage in the principal amount of \$5,550,000 against the Property (the “**Vector Mortgage**”).

8. George Naim Jada (“**Jada**”) held, as at the date of the appointment of the Receiver, a second mortgage of \$425,000 on the Property.

9. Guohui Liang held, as at the date of the appointment of the Receiver, a third mortgage of \$2,800,000 on the Property.

10. Integrated Design Building & Design Corporation (“**IDB**”) held, as at the date of the appointment of the Receiver, a lien registered against the Property in the amount of \$360,647.79 (the “**IDB Lien**”).

11. The Property has been sold, the sale has been approved by this Court and has closed, and the Receiver has made certain interim distributions by which the Vector Mortgage has been fully repaid.

12. IDB and Jada have reached an agreement whereby Jada will receive 60% of the net proceeds remaining in the possession of the Receiver following the payment by the Receiver of its remaining obligations, and IDB will receive 40% (the “**Agreed Allocation**”).

B. Final Distributions

Unpaid Accounts

13. The Receiver’s fees from January 1, 2021, to August 31, 2021, inclusive of HST and disbursements, total \$31,528.70. The Receiver’s unbilled fees to September 24, 2021 \$5,901.99 (inclusive of HST) and estimated fees thereafter, total \$8,475.00 (inclusive of HST). Of this amount, \$1,432.28 remains unpaid (the “**Unpaid Receiver’s Accounts**”).

14. Paliare’s total fees from January 1, 2021 to September 26, 2021, inclusive of HST and disbursements, total \$23,188.47 and estimated fees thereafter, total \$1,000 (the “**Paliare Accounts**”). Of this amount, \$7,043.86 remains unpaid (together with the Unpaid Receiver’s Accounts, the “**Unpaid Accounts**”).

The Agreed Allocation

15. Following payment of the Unpaid Accounts, the Receiver estimates that the remaining funds in its possession will be \$260,000 (the “**Remaining Funds**”) (prior to any HST refund).

16. The Receiver is seeking an Order authorizing the Receiver to distribute to Jada and IDB the Remaining Funds, in accordance with the Agreed Allocation (the “**Final Distribution**”).

C. Discharge of the Receiver

17. The Receiver's remaining duties are:

- (a) making the Final Distribution;
- (b) paying the Unpaid Accounts;
- (c) filing the Receiver's final HST returns; and
- (d) preparing the Final Report of Receiver pursuant to s. 246(3) of the Bankruptcy and Insolvency Act.

18. The Receiver's administration is substantially complete.

19. In order to avoid the costs of making a further motion to the Court to obtain the Receiver's discharge, the Receiver is seeking an order discharging RSM from the powers, duties and obligations attendant to its appointment as Receiver, with the proviso that RSM may perform such incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver.

D. Statutory and other grounds

20. Rules 1.04, 2.03, 3.02(1), 16, 37 and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194; and

21. Such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Second Report of the Receiver dated September 27, 2021, and the appendices attached thereto; and
- (b) such further and other evidence as the lawyers may advise and this Honourable Court may permit.

September 27, 2021

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Lawyers for the Receiver

TO: THE SERVICE LIST

APPENDIX "A"

Court File No: CV-20-0063787-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	TUESDAY, THE 5th DAY OF
)	
JUSTICE CAVANAGH)	OCTOBER, 2021

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO 118 CORP

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-B-3,
s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and
Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

ORDER

THIS MOTION, made by RSM Canada Limited ("**RSM**") in its capacity as the Court-appointed receiver (the "**Receiver**"), without security, of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario (the "**Property**"), for an order authorizing the Receiver to, among other things, make a Final Distribution (as defined and described below) and for the Receiver's discharge, was heard this day at Toronto, Ontario.

ON READING the Second Report to the Court of the Receiver dated September 27, 2021 (the “**Second Report**”) and on hearing the submissions of counsel for the Receiver, and no one else appearing, although properly served:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that the Second Report and the conduct and activities of the Receiver set out therein be and are hereby approved.
3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period January 1, 2021 to September 24, 2021, together with those fees estimated to completion, as set out in the Second Report, be and are hereby approved.
4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver’s counsel for the period January 1, 2021 to September 26, 2021, together with those fees estimated to completion, as set out in the Second Report be and are hereby approved.
5. **THIS COURT ORDERS** that the Receiver’s statement of receipts and disbursements for the period September 18, 2020 to September 24, 2021, as set out in the Second Report, be and is hereby approved.
6. **THIS COURT ORDERS** that the Receiver is authorized to pay 60% of all remaining funds in its possession to George Naim Jada (“**Jada**”) and 40% of all remaining funds in its possession to Integrated Design Building & Design Corporation (“**IDB**”) (the “**Final Distribution**”).
7. **THIS COURT ORDERS** that following the filing of the Receiver’s Discharge Certificate certifying that the Receiver has completed the Remaining Duties (as defined and described in the Second Report), the Receiver is authorized to pay to Jada and IDB any additional funds that come into the hands of the Receiver in accordance with the Agreed Allocation (as defined in the Second Report) provided that the total amounts

paid to Jada and IDB do not exceed the Respondents' respective indebtedness to each of them.

RECEIVER'S DISCHARGE

8. **THIS COURT ORDERS** that upon the Receiver filing with this Court a certificate substantially in the form appended hereto as Schedule "A" certifying that it has completed the Remaining Duties, the Receiver shall be discharged as Receiver of the Property, provided however that notwithstanding its discharge as Receiver herein, RSM shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all authorizations, approvals, protections and stays of proceedings in favour of RSM in its capacity as receiver.

9. **THIS COURT FURTHER ORDERS AND DECLARES** that RSM is hereby forever released and discharged from any liability that RSM now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of RSM while acting in its capacity as Receiver including for certainty, in carrying out the Remaining Duties (as defined in the Second Report), save and except for any gross negligence or willful misconduct on the Receiver's part. Without limiting the generality of the foregoing, RSM is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the receivership, save and except for any gross negligence or willful misconduct on the Receiver's part.

10. **THIS COURT FURTHER ORDERS AND DECLARES** that notwithstanding its discharge herein, RSM may perform such incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver including, for certainty, carrying out the Remaining Duties, and RSM shall be forever released and discharged from any and all liability related to such incidental duties, save and except for any gross negligence or willful misconduct on the Receiver's part.

Schedule "A"

Court File No.: CV-20-00637687-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
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BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

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APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-B-3,
s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and
Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

RECEIVER'S DICHARGE CERTIFICATE

A. By Order of the Ontario Superior Court of Justice (Commercial List) dated September 8, 2020 and effective September 18, 2020 (the "Receivership Order"), RSM Canada Limited was appointed receiver (the "Receiver") of the of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario (the "Property").

B. Pursuant to an Order of the Court dated October 5, 2021 (the "Discharge Order"), the Court provided for the discharge of the Receiver upon certification that the Receiver has completed the Remaining Duties, as defined in and approved by the Discharge Order.

THE RECEIVER CERTIFIES it has completed the Remaining Duties.

**RSM CANADA LIMITED, in its capacity as
Receiver of the Property and not in its
personal capacity**

Per: _____

Name:

Title:

Court File No. CV-20-0063787-00CL

VECTOR FINANCIAL SERVICES LIMITED**-and-****HIGHYON DEVELOPMENT NO. 118 LP and
HIGHYON GP NO. 118 CORP.****Applicant****Respondents**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

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Lawyers for the Receiver

VECTOR FINANCIAL SERVICES LIMITED

-and-

Court File No.: CV-20-0063787-00CL

**HIGHYON DEVELOPMENT NO. 118 LP and
HIGHYON GP NO. 118 CORP.**

Applicant

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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BETWEEN:

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- and -

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Respondents

**SECOND REPORT OF THE RECEIVER OF
9113 & 9125 BATHURST STREET, RICHMOND HILL, ONTARIO**

September 27, 2021

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Fee Affidavit of Jonathan FreemanL

I. INTRODUCTION

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 8, 2020 (the “**Appointment Order**”), RSM Canada Limited was appointed as receiver (the “**Receiver**”) without security, of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario (the “**Property**”). Pursuant to the endorsement of Madam Justice Gilmore dated September 8, 2020 (the “**September 8 Endorsement**”), the Appointment Order was “suspended for a period of 10 days until 5:00 p.m. on September 18, 2020 to permit the Respondents and the third mortgagee to investigate refinancing or sale options”, and “in the event that the (sic) there is no agreement as to refinancing or sale, the Receivership Order shall take effect on September 18, 2020 at 5:00 p.m.”.
2. As there was no agreement as to refinancing or sale as of 5:00 p.m. on September 18, 2020, the Appointment Order became effective at that time. Copies of the Appointment Order and the September 8 Endorsement are attached to this report as **Appendix “A” and Appendix “B”**, respectively.
3. On January 6, 2021, the Receiver issued its First Report to the Court (the “**First Report**”) for the purpose of, among other things, seeking an Order:
 - (i) authorizing and directing the Receiver to enter into and carry out the terms of the Transaction contemplated by an agreement of purchase and sale between the Receiver and 6736238 Canada Inc. o/a Altona Group (the “**Purchaser**”) dated December 21, 2020 (the “**APS**”), together with any further minor amendments thereto deemed necessary by the Receiver in its sole opinion;
 - (ii) vesting title to the Property in the Purchaser, or into such entity as the Purchaser may further direct in writing, free and clear of claims and encumbrances, upon closing of the Transaction and the delivery of a Receiver’s Certificate to the Purchaser;

- (iii) sealing certain documents until the closing of the sale of the Property; and
- (iv) authorizing the Receiver to make the Proposed Distribution (as defined therein).

A copy of the First Report, without appendices, is attached to this report as **Appendix “C”**.

4. At the return of the motion on January 13, 2021 (the “**January 13 Motion**”), Justice Gilmore:
 - (i) approved the sale of the Properties and issued an Approval and Vesting Order (the “**Approval and Vesting Order**”); and
 - (ii) approved, among other things, the Proposed Distribution to Vector Financial Services Limited (“**Vector**”), and issued an Order in respect of same (the “**January 13 Order re Other Relief**”).

Copies of the Approval and Vesting Order and the January 13 order re Other Relief, are attached to this report as **Appendix “D”** and **Appendix “E”**, respectively.

5. The Appointment Order, the First Report, the Approval and Vesting Order, the January 13 Order re Other Relief and other pertinent documents relating to these proceedings have been posted on the Receiver’s website, which can be found at <http://www.rsmcanada.com/9113-and-9125-bathurst>.
6. The Receiver retained the firm of Paliare Roland Rosenberg Rothstein LLP (“**Paliare**”) as the Receiver’s independent legal counsel.
7. The Receiver retained Cassels Brock & Blackwell LLP (“**Cassels**”), the Applicant’s counsel, to provide the legal advice and assistance required by the Receiver to effect and complete the sale of the Property.

II. PURPOSE OF REPORT

8. The purpose of this report to the Court (the “**Second Report**”) is to:
 - (a) report to the Court on the activities of the Receiver from the date of its First Report to September 27, 2021;
 - (b) report to the Court on the sale of the Property and matters relating thereto;
 - (c) report to the Court on the distribution of the net proceeds from the sale of the Property and the proposed distribution of the remaining funds in the Receiver’s possession;
 - (d) provide the Court with a summary of the Receiver’s cash receipts and disbursements for the period September 18, 2020 to September 24, 2021;
 - (e) report on the fees of the Receiver and its counsel; and
 - (f) seek an order:
 - (i) approving the Second Report and the Receiver’s conduct and activities set out herein;
 - (ii) approving the Interim R&D (as defined herein);
 - (iii) authorizing the Receiver to make the Final Distribution (as defined herein);
 - (iv) approving the Receiver’s Accounts, the Paliare Accounts, and the Cassels Accounts (all as defined herein);
 - (v) terminating these proceedings and discharging the Receiver from the powers, duties and obligations attendant to its appointment as Receiver upon the filing of the Receiver’s Discharge Certificate; and
 - (vi) authorizing the Receiver to pay any additional funds that it may receive in respect of the receivership administration, whether prior to

or following the Receiver's discharge, in the manner set out later herein.

III. TERMS OF REFERENCE

9. In preparing this Second Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "**Information**"). Certain of the information contained in this Second Report may refer to, or is based on, the Information. As the Information has been provided by other parties, or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
10. Unless otherwise stated, all monetary amounts contained in this Second Report are expressed in Canadian dollars.
11. Defined terms in this Second Report have, unless indicated otherwise herein, the same meanings as set out in the First Report.

IV. BACKGROUND

12. The Respondent Highyon Development No. 118 LP ("**Highyon LP**") is a real estate holding company and as at the date of the Appointment Order, was the owner of the Property which consists of vacant land. Highyon GP No. 118 Corp. ("**Highyon GP**") together with Highyon LP, the "**Highyon Entities**") is the general partner of Highyon LP.

13. Highyon LP is a limited partnership formed pursuant to the *Limited Partnerships Act*, R.S.O. 1990. The limited partners in Highyon LP appear to be a number of individual investors and, in certain cases, their respective holding companies.
14. Highyon GP is a privately owned corporation incorporated pursuant to the Business Corporations Act (Ontario) R.S.O. 1990, c. B.16. According to a corporate profile report, the registered head office of Highyon GP is 350 Highway 7 East, Suite 310, Richmond Hill, Ontario, Canada. Roger Bing Pu is the sole director and officer of Highyon GP.
15. As at the date of the Appointment Order, Vector, a private lender and mortgage broker in the business of originating and administering mortgage loans in Ontario, held a first mortgage in the principal amount of \$5,550,000 against the Property (the “**Vector Mortgage**”).
16. Highyon LP was in default of the Vector Mortgage, and Vector sought the appointment of the Receiver pursuant to a Notice of Application dated March 9, 2020.
17. In advance of the original return date, Vector and Highyon LP entered into a forbearance agreement dated as of March 20, 2020 (the “**Forbearance Agreement**”). Under the Forbearance Agreement, the parties agreed, among other things, that Vector would not take any steps to enforce its security until the earlier of September 10, 2020, and the occurrence of a Terminating Event (as defined in the Forbearance Agreement).
18. Terminating Events subsequently occurred during the summer of 2020 and, on August 13, 2020, Gowling WLG (Canada) LLP on behalf of Vector issued a letter to Highyon LP providing it with formal notice of the termination of the forbearance period and Vector’s intent to seek the appointment of the Receiver.
19. On September 8, 2020, at the return of Vector’s application, the Court granted the Appointment Order which became effective on September 18, 2020.

20. The amount owing pursuant to the Vector Mortgage of \$6,227,576.32 was paid by the Receiver to Vector on February 1, 2021. This amount represented the amount owing pursuant to the Vector Mortgage plus the amount owing pursuant to a Receiver Certificate, including all related interest and fees.
21. George Naim Jada (“**Jada**”) holds a second mortgage of \$425,000 on the Property. Guohui Liang holds a third mortgage of \$2,800,000 on the Property. The Receiver’s review of Jada’s security, and the Receiver’s proposed final distribution of the funds in the Receiver’s possession, are set out later in this report.

V. RECEIVER’S ACTIVITIES SINCE THE FIRST REPORT

22. The Receiver’s significant activities since the issuance of the First Report have consisted of:
 - (i) arranging for the Property to be maintained, as needed;
 - (ii) completing the sale of the Property;
 - (iii) corresponding with creditors and investors regarding the sale of the Property;
 - (iv) issuing the Proposed Distribution in accordance with the January 13 Order re Other Relief;
 - (v) paying expenses relating to the receivership administration;
 - (vi) filing HST returns in respect of the receivership administration; and
 - (vii) filing interim reports pursuant to Section 246(2) of the *Bankruptcy and Insolvency Act*.

VI. COMPLETION OF THE SALE OF THE PROPERTY

23. As set out in the First Report, the Receiver entered into the APS dated December 21, 2020 with 6736238 Canada Inc. o/a Altona Group (the “**Purchaser**”) in respect of the Property.
24. Pursuant to the terms of the APS, closing of the transaction was to occur on the 10th business day following the date upon which the Approval and Vesting Order was granted, or such other date as may be agreed upon between the Receiver and the Purchaser. As the Approval and Vesting Order was granted on January 13, 2021, the closing date was to be January 27, 2021.
25. Pursuant to a request from the Purchaser on January 26, 2021, the closing date was extended to January 28, 2021. On January 28, 2021, the Purchaser requested that the closing date be extended again to January 29, 2021, which request was agreed to by the Receiver.
26. On January 29, 2021, the sale of the Property was completed.
27. The outstanding property taxes up to the date of closing were included as an adjustment on the Statement of Adjustments. The Receiver arranged for the cancellation of its insurance coverage over the Property effective January 30, 2021.

VII. RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

28. Attached as **Appendix “F”** to this report is the Receiver’s Interim Statement of Receipts and Disbursements (the “**Interim R&D**”). As set out on the Interim R&D, the Receiver’s cash receipts were \$6,819,251, and cash disbursements were \$6,533,366 (inclusive of the repayment to Vector of \$6,227,576), resulting in a net cash balance of \$285,885 (the “**Remaining Funds**”).

VIII. CANADA REVENUE AGENCY

29. On March 9, 2021, the Receiver wrote to Canada Revenue Agency (“**CRA**”) to advise CRA of the Receiver’s appointment over the Property, and to request that CRA file a Proof of Claim with the Receiver, if applicable, by no later than Friday, March 26, 2021 (the “**March 9 Letter**”), as the Receiver was in the process of calculating the final distribution from the proceeds of sale.
30. As no response was received from CRA in regard to the March 9 Letter, the Receiver wrote to CRA on April 30, 2021 to again request that CRA file a Proof of Claim, if applicable, no later than May 31, 2021 (the “**April 30 Letter**”). The Receiver further advised CRA that if no claim was submitted by May 31, 2021, the Receiver would assume that CRA has no claim to the Remaining Funds, and would proceed accordingly.
31. On June 25, 2021, the Receiver wrote for a third time to CRA to advise CRA that the Receiver had not received any response to the March 9 Letter or the April 30 Letter, and would therefore be proceeding on the basis that CRA did not have any claim to the funds remaining in the Receiver’s possession (the “**June 25 Letter**”). The Receiver provided CRA with a final opportunity to file a claim or dispute the Receiver’s position by responding to the Receiver on or before July 15, 2021, failing which the Receiver would seek approval from the Court for a distribution of the Remaining Funds without regard to any claim of CRA. A copy of the June 25 Letter is attached to this report as **Appendix “G”**.
32. As of the date of this Second Report, the Receiver has not received a response from CRA and, as noted in the Receiver’s correspondence to CRA, is proceeding on the basis that CRA does not have a claim to the funds in the Receiver’s possession.
33. The Receiver has opened an “RT002” account with CRA in order to claim an HST refund in respect of the Receiver’s net HST refund position in respect of the

receivership administration. The Receiver will be filing its final return after making the payments set out later herein.

IX. SECURED OR PRIORITY CLAIMS

34. On June 25, 2018, Jada registered a second ranking mortgage (the “**Jada Mortgage**”) on the Property. No new advances were made in connection with, or at the time of, the registration of the Jada Mortgage. Rather, according to an Acknowledgment dated June 18, 2018 and signed by Highyon LP (the “**Acknowledgement**”), the Jada Mortgage was given “to consolidate existing loans which have already been advanced to us.”
35. The existing loans referenced in the Acknowledgment are three mortgages in the amounts of \$250,000, \$125,000 and \$50,000 given by Highyon Assets Corp. in favour of George N. Jada, Naim G. Jada and Rawan Jada in respect of three properties that do not include the Property.
36. The Receiver received from Mr. Jada a Mortgage Payout Statement dated January 27, 2021 (the “**Jada Payout Statement**”), which set out that the amount owing to Jada in respect of the mortgage and required to discharge its mortgage was \$445,764.84 as of January 27, 2021. A copy of the Jada Payout Statement is attached to this report at **Appendix “H”**.
37. The Receiver has received an opinion from Paliare that, based on the assumptions and subject to the qualifications set out therein, the Jada Mortgage is a valid charge on the Property (the “**Legal Opinion on Jada Security**”). A copy of the Legal Opinion on Jada Security is attached to this report as **Appendix “I”**.
38. On September 22, 2020, Integrated Design Building & Design Corporation (“**IDB**”) registered a lien against the Property under which IDB claimed for unpaid work in the amount of \$360,647.79 during the period November 1, 2017 to September 22, 2020 (the “**IDB Lien**”).
39. By email dated July 26, 2021 to counsel to Jada and IDB, Paliare:

- (i) informed that the Receiver had cash on hand of \$290,348 as at July 15, 2021, prior to any reserve for professional fees required to complete the receivership administration;
 - (ii) set out the Receiver's understanding, among other things, of Jada's and IDB's respective claims to the Remaining Funds;
 - (iii) advised that given the relatively small amount of money in the Receiver's hands, the Receiver encouraged the parties to attempt to resolve any dispute consensually; and
 - (iv) if the parties were unable to resolve the dispute consensually by August 15, 2021, the Receiver requested that counsel provide the Receiver with certain information and that following the Receiver's review of the information provided, the Receiver will consider its next steps with a view to addressing their clients' respective claims and proceeding to obtain the Receiver's discharge.
40. On August 27, 2021, counsel to IDB informed the Receiver that Jada and IDB had reached an agreement whereby Jada will receive a 60% allocation of the net proceeds remaining in the possession of the Receiver, and that IDB will receive a 40% allocation of the net proceeds remaining in the possession of the Receiver.

X. FEES AND DISBURSEMENTS OF THE RECEIVER AND COUNSEL

41. The Receiver's accounts total \$27,901.50 in fees plus HST of \$3,627.20 for a total amount of \$31,528.70 for the period January 1, 2021 to August 31, 2021 (the **Receiver's Invoices**). The Receiver's unbilled fees to September 24, 2021 are \$5,901.99 (inclusive of HST) and the Receiver estimates that its fees from September 25, 2021 to finalization of the receivership administration will be \$8,475.00 inclusive of HST (together with the Receiver's Invoices, the "**Receiver's Accounts**"). A copy of the Receiver's Invoices, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate

charged per account, is set out in the Affidavit of Daniel Weisz sworn September 27, 2021 that is attached to this report as Appendix “J”.

42. The total fees of Paliare for the period January 1, 2021 to September 26, 2021 were \$19,918.50, and the total amount inclusive of disbursements and HST is \$23,188.47 (the “**Paliare Invoices**”). Paliare estimates that its fees from September 27, 2021 to finalization of the receivership administration will be \$1,000 exclusive of HST (together with the Paliare Invoices, the “**Paliare Accounts**”). A copy of the Paliare Invoices and the time spent by Paliare is more particularly described in the Fee Affidavit of Megan Bradt sworn September 27, 2021, which is attached to this report as **Appendix “K”**.
43. The total fees of Cassels for the period January 1, 2021 to February 9, 2021, were \$20,048.00, plus disbursements of \$233.82, and HST of \$2,612.22, for a total of \$22,894.04 (the “**Cassels Accounts**”). The time spent by Cassels is more particularly described in the Fee Affidavit of Jonathan Freeman sworn September 27, 2021, which is attached to this report as **Appendix “L”**.

XI. FINAL DISTRIBUTION

44. As set out on the Interim R&D, there were net funds on hand of 285,885 as at September 24, 2021. The remaining payments to be made by the Receiver are (the “**Unpaid Accounts**”):
 - (i) the unpaid Receiver’s Accounts in the amount of \$15,809.27; and
 - (ii) the unpaid Paliare Accounts in the amount of \$8,173.86.
45. Following payment of the Unpaid Accounts, the Receiver estimates that the remaining funds that will be in the possession of the Receiver will be approximately \$260,000 (the “**Remaining Funds**”). This amount is before consideration of HST refunds totaling approximately \$33,750 which the Receiver has claimed, or will be claiming, on HST returns filed or to be filed.

46. On February 1, 2021, the Receiver made a distribution totaling \$6,227,576.32 to Vector, representing full repayment of the Vector Mortgage and the amount owing pursuant to a Receiver Certificate, including all related interest and fees.
47. As set out earlier in this Second Report, Jada and IDB have agreed that Jada is to receive 60%, and IDB is to receive 40%, of the Remaining Funds (the “**Agreed Allocation**”).
48. Therefore, the Receiver is seeking an Order authorizing the Receiver to distribute to Jada and IDB the Remaining Funds, in accordance with the Agreed Allocation (the “**Final Distribution**”). The Receiver is also seeking an Order authorizing the Receiver to pay to Jada and IDB, any additional funds that it may receive in respect of the receivership administration, whether prior to or following the Receiver’s discharge, in accordance with the Agreed Allocation, provided that the total amounts paid to Jada and IDB do not exceed the Respondents’ respective indebtedness to each of them.

XII. DISCHARGE OF THE RECEIVER

49. As of the date of this Second Report, the Receiver’s remaining duties (the “**Remaining Duties**”) are:
 - a) making the Final Distribution, subject to Court approval;
 - b) paying the Unpaid Accounts;
 - c) filing the Receiver’s final HST returns; and
 - d) preparing the Final Statement of Receiver pursuant to section 246(3) of the *Bankruptcy and Insolvency Act*.
50. As the Receiver’s administration is substantially complete, and in order to avoid the costs of making a further motion to the Court to obtain the Receiver’s discharge, the Receiver is presently seeking an order discharging RSM from the powers, duties and obligations attendant to its appointment as Receiver (the “**Discharge Order**”) upon the filing of the Receiver’s Discharge Certificate

certifying that the Receiver has completed the Remaining Duties (the “**Receiver’s Discharge Certificate**”), with the proviso that RSM may perform such incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver including, but not limited to, the Remaining Duties.

XIII. CONCLUSION

51. Based on the foregoing, the Receiver respectfully requests that the Court grant an Order:

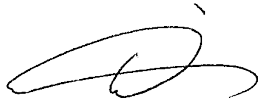
- (i) approving the Second Report and the Receiver’s conduct and activities set out herein;
- (ii) approving the Interim R&D;
- (iii) authorizing the Receiver to make the Final Distribution;
- (iv) approving the Receiver’s Accounts, the Paliare Accounts, and the Cassels Accounts and authorizing the Receiver to pay the Unpaid Accounts;
- (v) terminating these proceedings and discharging the Receiver from the powers, duties and obligations attendant to its appointment as Receiver upon the filing of the Receiver’s Discharge Certificate; and
- (vi) authorizing the Receiver to pay to Jada and IDB any additional funds that it may receive in respect of the receivership administration, whether prior to or following the Receiver’s discharge, in accordance with the Agreed Allocation.

All of which is respectfully submitted to this Court as of this 27th day of September, 2021.

RSM CANADA LIMITED

solely in its capacity as Court-appointed
Receiver of 9113 & 9125 Bathurst Street, Richmond Hill, Ontario
and not in its personal capacity

Per:

A handwritten signature in black ink, appearing to be 'D. Weisz', written over a horizontal line.

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

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

VECTOR FINANCIAL SERVICES LIMITED

- and -

**HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO.
118 CORP.**

Applicant

Respondent

Court File No.: CV-20-0063787-00CL

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

Proceedings commenced at Toronto, Ontario

**SECOND REPORT OF THE RECEIVER
(September 27, 2021)**

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington St. W., 35th Floor
Toronto, ON M5V 3H1

Jeffrey Larry

Tel: 416.646.4300

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Lawyers for RSM Canada Limited, as Receiver

cv-20-00637687-00CL

Court File No. ~~CV-20-0063787-00CL~~

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAME

)

TUESDAY, THE 8TH

)

JUSTICE GILMORE

)

DAY OF SEPTEMBER, 2020



VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO. 118 CORP

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing RSM Canada Limited ("RSM") as receiver (in such capacity the "Receiver") without security, of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario and legally described in Schedule "A", including all proceeds thereof (collectively, the "Property") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Noah Mintz sworn March 9, 2020 and the supplementary affidavit of Noah Mintz sworn August 28, 2020 and the respective Exhibits thereto and on hearing the submissions of counsel for the Applicant, and those other parties listed on the counsel slip, no one else appearing for any other party although duly served as appears from the affidavit of service of Katherine Yurkovich

sworn March 10, 2020, and the affidavit of service of Alma Cano sworn September 1, 2020, and on reading the consent of RSM to act as the Receiver,

APPOINTMENT

1. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM is hereby appointed Receiver, without security, of the Property.

RECEIVER'S POWERS

2. **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 engage consultants, appraisers, agents, real estate brokers, 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;
- (d) to receive and collect all monies and accounts now owed or hereafter owing to Highyon Development No. 118 LP and Highyon GP No. 118 Corp. (collectively, the "**Debtors**"), with respect to the Property and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (e) to settle, extend or compromise any indebtedness owing to the Debtors with respect to the Property;

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- (f) to execute, assign, issue and endorse documents of whatever nature in respect of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (g) 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 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;
- (h) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of this Court, and 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;
- (j) 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;
- (k) 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;
- (l) to register a copy of this Order and any other Orders in respect of the Property against title to the Property;
- (m) to apply for any permits, licences, approvals or permissions in respect of the Property as may be required by any governmental authority and any renewals thereof or and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

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- (n) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor; and
- (o) 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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. THIS COURT ORDERS that (i) the Debtors, (ii) all of their 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.

4. 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 Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. 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

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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

6. 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 PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

8. THIS COURT ORDERS that all rights and remedies against 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 Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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

9. 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 Debtors in connection with or relating to the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

10. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors in connection with or relating to the Property or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors in connection with or related to 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.

RECEIVER TO HOLD FUNDS

11. 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 relating to the Property 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

12. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors. 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

13. 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 Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

ACCESS RIGHTS / NO POSSESSION BY THE RECEIVER

14. THIS COURT ORDERS that the Receiver shall not go into possession of the Property.

15. THIS COURT ORDERS that the Receiver is authorized to have access to the Property including any fenced-in area of the Property and any buildings or dwellings on the Property, and to provide access to the Property to the Receiver's agents, or any prospective purchaser of the Property and / or their agents or any other party. For greater certainty, neither the Receiver nor any other party shall be deemed to be in possession of the Property as a result of: (i) it taking any steps to secure or maintain the Property including any buildings or dwellings situated thereon; (ii) it entering any buildings or dwellings on the Property or (iii) it exercising those access rights provided for in this paragraph 15.

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 \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim

expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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 <www.rsmcanada.com/9113-and-9125-bathurst>

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 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to

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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

27. 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.
28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors or any of them.
29. 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.
30. 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.
31. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by from any realizations from the Property with such priority and at such time as this Court may determine.
32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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

SEP 11 2020

SCHEDULE "A"**LEGAL DESCRIPTION OF REAL PROPERTY**

- **PIN 03215-1220 (LT):** PT LT 12 PL 1960 VAUGHAN AS IN R430908; EXCEPT PT 6 65R34243; TOWN OF RICHMOND HILL
- **PIN 03215-1223 (LT):** PT LTS 11 & 12 PL 1960 (VGN) PTS 1 & 2 65R30010 EXCEPT PTS 6 & 7 65R34155 & EXCEPT PT 7 65R34243 AND SAVE & EXCEPT PTS 2 & 3, ON 6535056; TOWN OF RICHMOND HILL

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "**Receiver**") of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario, 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 application 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 _____, _____.

RSM CANADA LIMITED, solely in its capacity
as Receiver of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

cv-20-00637687-00cl

Court File No. **CX-20-0063787-00CL**

VECTOR FINANCIAL SERVICES LIMITED

- and -

**HIGHYON DEVELOPMENT NO. 118 LP and
HIGHYON GP NO. 118 CORP.**

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

Respondents

<p>ONTARIO</p> <p>SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>PROCEEDING COMMENCED AT TORONTO</p> <p>RECEIVERSHIP ORDER</p>	<p>GOWLING WLG (CANADA) LLP Barristers & Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 Toronto ON M5X 1G5 Tel: 416-862-7525 Fax: 416-862-7661</p> <p>Thomas Gertner (LSO# 67756S) Tel: 416-369-4618 thomas.gertner@gowlingwlg.com</p> <p>Solicitors for the Applicant</p>
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Odeh, Echa

From: Gilmore, Madam Justice Cory (SCJ) <Cory.Gilmore@scj-csj.ca>
Sent: Tuesday, September 8, 2020 2:30 PM
To: Gertner, Thomas; 'rann@rannwang.com'; 'george.jada2@gmail.com'; 'Ran He'; Weisz, Daniel; 'Jeff.Larry@paliareroland.com'
Cc: JUS-G-MAG-CSD-Toronto-SCJ Commercial List
Subject: Vector Financial Services Limited v. Highyon Development et al
Attachments: Signed Receivership Order September 8, 2020.pdf

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Counsel: See my endorsement below.

Endorsement of Gilmore, J.

This is Vector Financial's Application to appoint RSM Canada Limited as Receiver over certain lands on Bathurst Street in Richmond Hill, Ontario. The Application was originally scheduled to be heard on March 20, 2020. The parties entered into a Forbearance Agreement on March 20, 2020 which provided that Vector would not take steps to enforce unless certain Terminating Events occurred. During the course of the Forbearance Agreement, the Respondent agreed to continue making monthly interest payments and provide a binding offer committing to refinancing or sale of the subject lands by September 10, 2020. On the expiration of the forbearance period, Vector would be entitled to appoint a Receiver. A Terminating Event occurred when the Respondents failed to make the interest payment due on August 10, 2020. Further, the Respondents granted a third mortgage on the subject lands in the amount of \$2.8M in breach of the Forbearance Agreement.

Mr. Wang seeks an adjournment on behalf of the Respondents. He was only retained today and has not had a chance to conduct a factual investigation. He also wants to determine if his clients can acquire the first mortgage. His client communicates primarily in Mandarin so additional time is needed for document translation. Mr. Wang is available throughout the next three weeks.

Mr. He appeared on behalf of the third mortgagee. He only received notice of this hearing on Friday of last week. He needs time to formulate a position. His client is considering paying out the first mortgage or there may be a buyer for the property. His view is that this matter can resolved without the necessity of a Receivership Order. Mr. He is available on September 18, 23-25th.

Mr. Gertner opposes the requested adjournments. His position is that the Respondents have known about this matter since March 20, 2020. They can in no way be surprised by any of this given the terms of the Forbearance Agreement and their breach of it by registering a third mortgage. As for any refinancing, there has been no evidence provided by way of commitment letter or offer. The Applicant is concerned that yet another interest payment may be missed if an adjournment is granted to allow the Respondents time to take steps they have had months to complete.

I agree with the Applicants. There was a breach of the Forbearance Agreement by way of non-payment of interest and the registration of a third mortgage. The Respondent seeks a further indulgence. However, a Receivership is costly and counsel should have a brief period to consult with their clients.

Given all of the above, I make the following Orders:

1. The Receivership Order shall issue as requested.
2. The Receivership Order shall be suspended for a period of 10 days until 5:00 p.m. on September 18, 2020 at 5:00 p.m. to permit the Respondents and the third mortgagee to investigate refinancing or sale options.
3. In the event that there is no agreement as to refinancing or sale, the Receivership Order shall take effect on September 18, 2020 at 5:00 p.m.

C. Gilmore, J.

September 8, 2020

**Madam Justice Cory A. Gilmore
Ontario Superior Court of Justice
361 University Avenue
4th Floor
Toronto, Ontario
M5G 1T3**

cory.gilmore@scj-csj.ca

Court File No.: CV-20-00637687-00CL

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

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO 118 CORP

Respondents

**FIRST REPORT OF THE RECEIVER OF
9113 & 9125 BATHURST STREET, RICHMOND HILL, ONTARIO**

January 5, 2021

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I. INTRODUCTION

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 8, 2020 (the “**Appointment Order**”), RSM Canada Limited was appointed as receiver (the “**Receiver**”) without security, of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario (the “**Property**”). Pursuant to the endorsement of Madam Justice Gilmore dated September 8, 2020 (the “**September 8 Endorsement**”), the Appointment Order was “suspended for a period of 10 days until 5:00 p.m. on September 18, 2020 to permit the Respondents and the third mortgagee to investigate refinancing or sale options”, and “in the event that the (sic) there is no agreement as to refinancing or sale, the Receivership Order shall take effect on September 18, 2020 at 5:00 p.m.”.
2. As there was no agreement as to refinancing or sale as of 5:00 p.m. on September 18, 2020, the Appointment Order became effective at that time. Copies of the Appointment Order and the September 8 Endorsement are attached to this report as **Appendix “A” and Appendix “B”**, respectively.
3. The Appointment Order authorizes the Receiver to, among other things:
 - (a) 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) protect the Property;
 - (c) market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; and
 - (d) apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser thereof, free and clear of any liens or encumbrances affecting the Property.

4. The Appointment Order and other pertinent documents relating to these proceedings have been posted on the Receiver's website, which can be found at <http://www.rsmcanada.com/9113-and-9125-bathurst>.
5. The Receiver has retained the firm of Paliare Roland Rosenberg Rothstein LLP ("**Paliare**") as the Receiver's independent legal counsel.
6. The Receiver has retained Cassels Brock & Blackwell LLP ("**Cassels**"), the Applicant's counsel, to provide the legal advice and assistance required by the Receiver to effect and complete the sale of the Property.

II. PURPOSE OF REPORT

7. The purpose of this report to the Court (the "**First Report**") is to:
 - (a) report to the Court on the activities of the Receiver from the date of its appointment to December 31, 2020;
 - (b) provide background information about the Property;
 - (c) summarize the Receiver's marketing and sale process for the Property;
 - (d) report to the Court on the results of the Receiver's sale process for the Property and the offers received;
 - (e) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period September 18, 2020 to December 31, 2020 (the "**R&D**"); and
 - (f) seek an order:
 - (i) authorizing and directing the Receiver to enter into and carry out the terms of the transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver and 6736238 Canada Inc. o/a Altona Group (the "**Purchaser**") dated December

21, 2020 (the “**APS**”), together with any further minor amendments thereto deemed necessary by the Receiver in its sole opinion;

- (ii) vesting title to the Property in the Purchaser, or into such entity as the Purchaser may further direct in writing, free and clear of claims and encumbrances, upon closing of the Transaction and the delivery of a Receiver’s Certificate to the Purchaser;
- (iii) sealing Confidential Appendix “D” to the First Report until the closing of the sale of the Property;
- (iv) authorizing the Receiver to make the Proposed Distribution (as defined herein);
- (v) approving the First Report and the Receiver’s conduct and activities set out herein;
- (vi) approving the R&D;
- (vii) approving the fees of the Receiver for the period August 17, 2020 to December 31, 2020;
- (viii) approving the fees of Paliare for the period September 8, 2020 to December 31, 2020; and
- (ix) approving the fees of Cassels for the period November 3, 2020 to December 31, 2020.

III. TERMS OF REFERENCE

8. In preparing this First Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the “**Information**”). Certain of the information contained in this First Report may refer to, or is based on, the Information. As the Information has been provided by other parties, or obtained from documents filed with the Court in this matter, the Receiver has relied

on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

9. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.

IV. BACKGROUND

10. The Respondent Highyon Development No. 118 LP ("**Highyon LP**") is a real estate holding company and the owner of the Property which consists of vacant land. Highyon GP No. 118 Corp. ("**Highyon GP**" together with Highyon LP, the "**Highyon Entities**") is the general partner of Highyon LP.
11. Highyon LP is a limited partnership formed pursuant to the *Limited Partnerships Act*, R.S.O. 1990. The limited partners in Highyon LP appear to be a number of individual investors and, in certain cases, their respective holding companies.
12. Highyon GP is a privately owned corporation incorporated pursuant to the Business Corporations Act (Ontario) R.S.O. 1990, c. B.16. According to a corporate profile report, the registered head office of Highyon GP is 350 Highway 7 East, Suite 310, Richmond Hill, Ontario, Canada. Roger Bing Pu ("**Mr. Pu**") is the sole director and officer of Highyon GP.
13. Vector Financial Services Limited ("**Vector**") is a private lender and mortgage broker in the business of originating and administering mortgage loans in Ontario. Vector holds a first mortgage in the principal amount of \$5,550,000 against the Property (the "**Vector Mortgage**"). As of March 9, 2020, the amount outstanding under the Vector Mortgage was \$5,731,451.58.

14. Highyon LP was in default of the Vector Mortgage, and Vector sought the appointment of the Receiver pursuant to a Notice of Application dated March 9, 2020.
15. In advance of the original return date, Vector and Highyon LP entered into a forbearance agreement dated as of March 20, 2020 (the “**Forbearance Agreement**”). Under the Forbearance Agreement, the parties agreed, among other things, that Vector would not take any steps to enforce its security until the earlier of September 10, 2020, and the occurrence of a Terminating Event (as defined in the Forbearance Agreement).
16. Terminating Events subsequently occurred during the summer of 2020 and, on August 13, 2020, Gowling WLG (Canada) LLP on behalf of Vector issued a letter to Highyon LP providing it with formal notice of the termination of the forbearance period and Vector’s intent to seek the appointment of the Receiver.
17. On September 8, 2020, at the return of Vector’s application, the Court granted the Appointment Order which became effective on September 18, 2020.

V. RECEIVER’S ACTIVITIES TO DATE

Securing the Property

18. In order to monitor the condition of the Property on an ongoing basis, the Receiver is using the services of Moreau Onsite Property Services (“**Moreau**”). Moreau attends on a periodic basis at the Property and arranges for repairs or maintenance to be completed at the Property as required.
19. Following the issuance of the Appointment Order, the Receiver attended at the Property and noted that the perimeter of the Property was surrounded by temporary metal fencing, with certain areas of the fence in poor condition. The Receiver arranged for Moreau to repair the temporary fencing, and chain and padlock the fence to prevent unauthorized access to the Property. With respect to

the temporary fencing, the Receiver has been unable to identify the party who supplied the fencing.

Insurance

20. As the Property is vacant, the Receiver arranged to be added as an additional named insured on a commercial general liability policy that was taken out by the first mortgagee, which coverage is scheduled to expire on September 11, 2021.

Statutory Notices

21. On September 28, 2020, the Receiver requested of Mr. Pu a list of the creditors of the Property, but no information was provided as of September 30, 2020. As a result, the Receiver prepared the Notice and Statement of Receiver pursuant to Section 245(1) of the Bankruptcy and Insolvency Act (the “**245 Notice**”) to the known creditors of the Property identified through a title search of the Property and a Personal Property Security Registration System search. A copy of the 245 Notice is attached to this report as **Appendix “C”**.
22. On October 23, 2020, subsequent to the mailing of the 245 Notice, the Receiver received from the debtor a list of creditors relating to the Property (the “**Creditor Listing**”). On October 29, 2020, the Receiver forwarded the 245 Notice to the creditors listed on the Creditor Listing who were not previously sent the 245 Notice.

VI. MARKETING OF THE PROPERTY

23. The Receivership Order authorizes the Receiver to market the Property for sale, including advertising and soliciting offers in respect of the Property.
24. The Receiver requested listing proposals from four commercial real estate brokerages; CBRE, Colliers International, Avison Young (Canada) Inc., and Cushman & Wakefield ULC (“**C&W**”). A summary of the listing proposals received by the Receiver is attached to this report as **Tab 1 to Confidential Appendix “D”**.

25. After reviewing the proposals submitted, and with the concurrence of Vector, the Receiver entered into a listing agreement with C&W to market the Property for sale. A copy of the listing agreement, which has been executed by the Receiver and C&W, is attached to this report as **Tab 2 to Confidential Appendix "D"**.
26. C&W formally launched its marketing program for the Property on November 9, 2020. Interested parties were advised that offers were to be submitted by 5:00 p.m. (EST) on December 8, 2020 (the "**Bid Submission Deadline**").
27. The Receiver prepared a confidentiality agreement (the "**Confidentiality Agreement**") and a form of agreement of purchase and sale that was included in the data room established by C&W that was made available to parties who signed the Confidentiality Agreement.
28. A detailed summary of the marketing activities undertaken by C&W is set out in the Final Marketing Report of C&W to the Receiver dated December 8, 2020 (the "**C&W Report**"), which is attached as **Tab 3 to Confidential Appendix "D"**. Among other activities set out in the C&W Report, the following activities were performed:
 - (a) the Property was listed on the Toronto Real Estate Board MLS on November 11, 2020;
 - (b) email brochures were sent out to a targeted list of 13,343 prospective purchasers and 4,349 real estate brokers (the "**Brochures**");
 - (c) an advertisement was placed on November 9, 2020 in the Sing Tao Daily publication (the "**Sing Tao Advertisement**");
 - (d) advertisements in The Globe and Mail newspaper were published on November 10 and 12, 2020 ("**G&M Advertisements**");
 - (e) an advertisement was placed on November 11 and 13, 2020 in the Greater Toronto & Hamilton Area edition of the real estate publication, Novae Res Urbis ("**NRU Advertisement**"); and

- (f) an electronic data room was established to provide access to confidential information pertaining to the Property to parties who had executed a Confidentiality Agreement.

Copies of the Brochures, the NRU Advertisement, the Sing Tao Advertisement, the G&M Advertisements and the NRU Advertisement are attached collectively to this report as **Appendix “E”**.

- 29. In addition, and to further assist with the sale process, the Receiver engaged PGL Environmental Consultants (“**PGL**”) to prepare an updated Phase I Environmental Site Assessment (the “**Phase I ESA**”) for the Property. A copy of the Phase I ESA dated December 2020 received from PGL, was posted to the data room on December 3, 2020.

VII. SUMMARY OF OFFERS RECEIVED

- 30. As of the Bid Submission Deadline, eighteen (18) offers were submitted for the Property (the “**First Round Offers**”), certain of which had no conditions, other than Court approval of the transaction. A summary of the offers received (the “**First Round Offer Summary**”) is attached to this report as **Tab 4 to Confidential Appendix “D”**.
- 31. Following receipt of the First Round Offers, and after review and consultation with C&W and Vector, parties representing the ten (10) offers regarded as being the most favourable were contacted by C&W and invited to improve or amend their offers, and resubmit by 5:00 p.m. on December 14, 2020. A total of eleven (11) parties, including two (2) parties who had not been invited by C&W to participate in the second round, elected to amend their original offers to purchase (the “**Second Round Offers**”). One party who had been invited to participate in the second round decided to remove itself from the process. A copy of the summary of Second Round Offers (the “**Second Round Offer Summary**”) is attached to this report as **Tab 5 to Confidential Appendix “D”**.

32. After reviewing the Second Round Offers and consulting with C&W and Vector, the Receiver noted that the top four offers (with the exception of the offer from Highyon LP, discussed below), were, for all intents and purposes, indistinguishable. Therefore, these four offerors were invited to amend their offers and resubmit their best and final offers by 10:00 a.m. on December 16, 2020.
33. Vector, following the second round of offers, advised the Receiver that it would be prepared to finance a purchaser of the Property on certain terms. Those terms were provided by C&W to the parties asked to resubmit their offers.
34. Three parties elected to amend their offers to purchase the Property, while the fourth party did not amend its offer (the “**Third Round Offers**”). A copy of the summary of Third Round Offers (the “**Third Round Offer Summary**”) is attached to this report as **Tab 6 to Confidential Appendix “D”**. None of the parties included a provision that set out their intention to make use of the financing offered by Vector.
35. The Receiver reviewed the terms of the Third Round Offers. After considering the Third Round Offers, including the offered purchase prices, proposed due diligence periods, due diligence terms, likelihood of closing on a timely basis, etc., the Receiver proceeded, with the concurrence of Vector, to finalize the offer submitted by the Purchaser. The Receiver worked with Cassels to have certain of the terms of the Purchaser’s offer amended in order for the Receiver to be in a position to accept that offer.
36. On December 21, 2020, the Receiver executed the Purchaser’s offer. The deposit required to be provided by the Purchaser pursuant to the APS has been received by Cassels. A copy of the APS is attached to this report as **Tab 7 to Confidential Appendix “D”**.

Offer from Highyon LP

37. On December 8, 2020, Highyon LP, one of the Respondents, submitted an offer to purchase the Property (the “**First Highyon Offer**”). The First Highyon Offer was of concern to the Receiver for the following reasons:
- (a) the purchase price included in the First Highyon Offer was significantly higher than those included in the other 17 offers received for the Property; and
 - (b) the offer included a 15 day conditional period for the Debtor to obtain financing.

Further details of the First Highyon Offer are set out in Tab 4 to Confidential Appendix “D”.

38. The Receiver, through C&W, invited Highyon LP to participate in the second round of offers.
39. On December 14, 2020, Highyon LP submitted a revised offer that was not fully completed, to purchase the Property (the “**Second Highyon Offer**”). The Second Highyon Offer, provided for a purchase price that was less than the purchase price included in the First Highyon Offer, but was still significantly higher than the other offers received. In addition, the Second Highyon Offer remained conditional on financing, but the conditional period was reduced from 15 days to 7 days. Further details of the Second Highyon Offer can be found in Tab 5 to Confidential Appendix “D”.
40. Notwithstanding the favourable purchase price included in the Second Highyon Offer, the Receiver was concerned with Highyon LP’s ability to secure financing of an amount that would enable it to waive its condition within a 7 day period, and for Highyon LP to close the transaction in the event the Receiver accepted the Second Highyon Offer.

41. In order to address the Receiver's concern, on December 16, 2020, C&W wrote to Highyon LP to advise that the Receiver would consider an offer, submitted by 5:00 p.m. on December 17, 2020 that was (i) fully executed, with no conditions, (ii) accompanied by a deposit equal to 10% of the purchase price, and (iii) accompanied by proof of financing.
42. No communication was received from Highyon LP until December 22, 2020 when its representative contacted C&W to enquire, among other things, whether the Receiver accepted a firm offer for the Property. On that day, the representative also contacted the Receiver to inquire about the details of the accepted offer for the Property.

VIII. THE AGREEMENT OF PURCHASE AND SALE

43. The APS conforms substantially with the form of APS provided by the Receiver and its counsel. Salient terms of the APS include (all capitalized terms in this section not defined in the APS are as otherwise defined in the First Report):
 - (a) a deposit of 10% of the Purchase Price;
 - (b) the offer is conditional on Court approval and the issuance of an order vesting title to the purchased assets in the Purchaser or its assignee free and clear of claims and encumbrances, other than those specifically itemized in the APS;
 - (c) the Purchaser is buying the Property on an "as is, where is" basis; and
 - (d) closing of the sale provided for in the APS is scheduled to occur on the tenth Business Day following the date on which the Vesting Order is granted, or such other date as agreed between the Purchaser and the Receiver.

IX. APPROVAL OF THE SALE

44. The Receiver believes that the marketing process undertaken by the Receiver was appropriate for the type of property in question, and provided sufficient market

exposure to the Property. The Property was exposed to the market since November 9, 2020, notice of the sale of the Property was sent to more than 17,500 parties, and the Property was listed for sale on MLS, on C&W's website, and advertised in various print and digital publications, as set out earlier in this report.

45. As a result of the marketing efforts undertaken:
 - CAs were signed in respect of 62 potential purchasers; and
 - 18 offers to purchase the Property were received from prospective purchasers.
46. The Receiver is of the view that sufficient efforts were made to obtain the best price for the Property, and the marketing process was conducted fairly. The Receiver regards the APS as the offer received for the Property which is the most advantageous to the creditors and stakeholders of the Property. The Receiver therefore recommends that this Court approve the APS and grant an Order vesting title in the purchased assets in the Purchaser or its assignee upon the closing of the Transaction.
47. The Receiver believes that details of the offers submitted for the Property, including matters relating thereto, should be kept confidential until the successful closing of the transaction. The Receiver is of the view that public disclosure of this information would have a negative impact on the future marketing of the Property, should the transaction with the Purchaser not be approved or completed.
48. The Receiver therefore respectfully requests that Confidential Appendix "D" be sealed until after the closing of the sale of the Property.

X. SECURED OR PRIORITY CLAIMS

49. The Receiver received from Vector a Mortgage Payout Statement dated January 5, 2021 (the "**Vector Payout Statement**"). According to the Vector Payout Statement, the amount owing to Vector in respect of the first mortgage and required to discharge the first mortgage will be \$6,203,316.59 as of January 28,

2021, which would be approximately two days after the scheduled closing date for the sale pursuant to the APS if the Approval and Vesting Order is granted on January 13, 2021 (the “**Vector Indebtedness**”). The Vector Payout Statement also refers to the \$15,000 advance to the Receiver by Vector, plus interest, for which Receiver Certificate No. 1 was issued. A copy of the Vector Payout Statement is attached to this report at **Appendix “F”**.

50. The Receiver has received an opinion from Paliare that, based on the assumptions and subject to the qualifications set out therein, the Vector Mortgage is a valid first charge on the Property (the “**Legal Opinion on Vector Security**”). A copy of the Legal Opinion on Vector Security is attached to this report as **Appendix “G”**.
51. The Receiver will, if needed, be requesting from the other mortgagees of the Property that they provide to the Receiver for the Receiver’s review copies of their security agreements with the Respondents as well as proof of indebtedness. The Receiver will in its next report to the Court report the results of such review.

XI. PROPOSED DISTRIBUTION

52. Following the closing of the sale of the Property, and receipt by the Receiver of the net sales proceeds therefrom, funds will be available to the Receiver for distribution.
53. Subject to retaining an amount as a holdback to address future fees and expenses of the Receiver and its counsel, the Receiver proposes to distribute from the net proceeds of sale, the following (the “**Proposed Distribution**”):
 - (a) the fees and disbursements of the Receiver and its counsel;
 - (b) the commission payable to C&W due upon the successful sale of the Property;
 - (c) the advance totaling \$15,000 under Receiver Certificate No. 1 plus interest to Vector;

- (d) property taxes of \$7,016.41 (based on the balance owing as at November 24, 2020) plus any accrued interest or penalties thereon; and
- (e) an amount to Vector, not to exceed the Vector Indebtedness.

XII. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 54. Attached as **Appendix "H"** to this report is the Receiver's interim statement of receipts and disbursements for the period September 18, 2020 to December 31, 2020. During this period, total cash receipts were \$15,000, and total disbursements were \$2,809 resulting in a net cash balance of \$12,191.

XIII. FEES AND DISBURSEMENTS OF THE RECEIVER AND COUNSEL

- 55. Pursuant to paragraph 18 of the Receivership Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Receivership Order. Pursuant to paragraph 19 of the Receivership Order, the Receiver and its counsel shall pass their accounts before the Court, but are entitled to be paid prior to Court approval.
- 56. The total fees for the Receiver for the period September 18, 2020 to December 31, 2020 were \$57,245.50, plus HST of \$7,441.92, for a total of \$64,687.42 (the "**Receiver Accounts**"). The time spent by the Receiver is more particularly described in the Fee Affidavit of Daniel Weisz sworn January 5, 2021, which is attached to this report as **Appendix "I"**.
- 57. The total fees of Paliare for the period September 8, 2020 to December 31, 2020 were \$7,574.00, plus disbursements of \$716.58, and HST of \$1077.79, for a total of \$9,368.37 (the "**Paliare Accounts**"). The time spent by Paliare is more particularly described in the Fee Affidavit of Sarita Sanasie sworn January 5, 2021, which is attached to this report as **Appendix "J"**.
- 58. The total fees of Cassels for the period November 3, 2020 to December 31, 2020, were \$5,452.00, plus disbursements of \$301.05, and HST of \$733.21, for a total

of \$6,486.26 (the “**Cassels Accounts**”). The time spent by Cassels is more particularly described in the Fee Affidavit of Jonathan Freeman sworn January 5, 2021, which is attached to this report as **Appendix “K”**.

XIV. CONCLUSION

59. Based on the foregoing, the Receiver respectfully requests that the Court grant orders:
- (i) authorizing and directing the Receiver to enter into and carry out the terms of the Transaction contemplated by the APS together with any further minor amendments thereto deemed necessary by the Receiver in its sole opinion;
 - (ii) vesting title to the Property in the Purchaser, or into such entity as the Purchaser may further direct in writing, free and clear of claims and encumbrances, upon closing of the Transaction and the delivery of a Receiver’s Certificate to the Purchaser;
 - (iii) sealing Confidential Appendix “D” to the First Report until the closing of the sale of the Property;
 - (iv) authorizing the Receiver to make the Proposed Distribution;
 - (v) approving the First Report and the Receiver’s conduct and activities set out herein;
 - (vi) approving the R&D;
 - (vii) approving the Receiver Accounts;
 - (viii) approving the Paliare Accounts; and
 - (ix) approving the Cassels Accounts.

60. All of which is respectfully submitted to this Court as of this 5th day of January, 2021.

RSM CANADA LIMITED

solely in its capacity as Court-appointed
Receiver of 9113 & 9125 Bathurst Street, Richmond Hill, Ontario
and not in its personal capacity

Per:

A handwritten signature in black ink, appearing to be 'D. Weisz', written over a horizontal line.

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

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

VECTOR FINANCIAL SERVICES LIMITED

- and -

**HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO.
118 CORP.**

Applicant

Respondent

Court File No.: CV-20-0063787-00CL

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

Proceedings commenced at Toronto, Ontario

**FIRST REPORT OF THE RECEIVER
(January 5, 2021)**

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington St. W., 35th Floor
Toronto, ON M5V 3H1

Jeffrey Larry

Tel: 416.646.4300

Fax: 416.646.4301

Email: jeff.larry@paliareroland.com

Lawyers for RSM Canada Limited, as Receiver

Court File No. CV-20-00637687-00CL

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

THE HONOURABLE)	WEDNESDAY, THE 13 th
)	
JUSTICE GILMORE)	DAY OF JANUARY, 2021

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO. 118 CORP.

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by RSM Canada Limited, in its capacity as the Court-appointed receiver (the "**Receiver**") over the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario (the "**Property**") owned by Highyon Development No. 118 LP ("**Highyon**" or the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and 6736238 Canada Inc. O/A Altona Group (the "**Purchaser**") made as of December 21, 2020 and appended to the Report of the Receiver dated January 5, 2021 (the "**Report**"), and vesting in Altona (Bathurst) Developments Inc. Highyon's right, title and interest in and to the assets

described in the Sale Agreement (the "**Purchased Assets**"), was heard this day by videoconference due to the COVID-19 crisis.

ON READING the Report and on hearing the submissions of counsel for the Receiver, and such other parties who appeared, and no one else appearing for any other person on the service list, although properly served as appears from the affidavit of Michelle Jackson sworn January 6, 2021, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Receiver's and all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in Altona (Bathurst) Developments Inc., 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 Gilmore dated September 8, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances,

easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office Land Titles Division of York (No. 65) 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 Altona (Bathurst) Developments Inc. as the owner of the subject real property identified in Schedule B hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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

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

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

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

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

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



Schedule A – Form of Receiver’s Certificate

Court File No. CV-20-00637687-00CL

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

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and –

HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO. 118 CORP.

Respondent

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

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Gilmore of the Ontario Superior Court of Justice (the "**Court**") dated September 8, 2020, with effect from September 18, 2020, RSM Canada Limited was appointed as the receiver (the "**Receiver**") of 9113 & 9125 Bathurst Street, Richmond Hill, Ontario (the "**Property**") owned by Highyon Development No. 118 LP (the "**Debtor**").

B. Pursuant to an Order of the Court dated [**DATE**] (the "Vesting Order"), the Court approved the agreement of purchase and sale made as of December 21, 2020 (the "**Sale Agreement**") between the Receiver and 6736238 Canada Inc. O/A Altona Group

(the "**Purchaser**") and provided for the vesting in Altona (Bathurst) Developments Inc. of the Receiver's and the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement or the Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Date of Closing pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at **[TIME]** on **▶ [DATE]**.

RSM Canada Limited, solely in its capacity as Court-appointed Receiver of 9113 & 9125 Bathurst Street, Richmond Hill, Ontario and not in its personal or corporate capacity and without personal or corporate liability

Per: _____

Name: ▶

Title: ▶

Schedule B – Purchased Assets

All of the Receiver's (if any) and Highyon Development No. 118 LP's right, title and interest in and to the Property (as defined in the Sale Agreement) including, without limitation, the following real property:

Municipal Address: 9113 & 9125 Bathurst Street, Richmond Hill, Ontario

Legal Description: Firstly:

PART LOT 12, PLAN 1960, DESIGNATED AS PART 1, 65R39076;
SUBJECT TO AN EASEMENT IN GROSS AS IN YR3104512;
CITY OF RICHMOND HILL

Secondly:

PT LTS 11 & 12 PL 1960 (VGN) PTS 1 & 2 65R30010 EXCEPT
PTS 6 & 7 65R34155 & EXCEPT PT 7 65R34243 AND SAVE &
EXCEPT PTS 2 & 3, ON 6535056; TOWN OF RICHMOND HILL

PIN: Firstly: 03215-1459 (LT)

Secondly: 03215-1223 (LT)

Registry Office: Land Titles Division of York (No.65)

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

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

1. Instrument No. YR2257403 is a Partial Discharge of Charge registered on February 19, 2015 in favour of Royal Bank of Canada.
2. Instrument No. YR2739495 is a Charge registered on September 29, 2017 in favour of Vector Financial Services Limited (“**Vector**”) in the amount of \$5,500,000.00.
3. Instrument No. YR 2739496 is a General Assignment of Rents registered on September 29, 2017 in favour of Vector as collateral security to the Charge registered as Instrument No. YR2739495.
4. Instrument No. YR3017154 is an Agreement Amending Charge registered on October 4, 2019 which amends the Charge registered as Instrument No. YR2739495.
5. Instrument No. YR3104513 is a Postponement of Interest granted by Vector in favour of Alectra Utilities Corporation (“**Alectra**”) pursuant to which Vector postpones its Charge registered as Instrument No. YR2739495 to the easement in favour of Alectra registered as Instrument No. YR3104512.
6. Instrument No. YR2838164 is a Charge registered on June 15, 2018 in favour of George Naim Jada (“**Jada**”) in the amount of \$425,000.00.
7. Instrument No. YR3104514 is a Postponement of Interest granted by Jada in favour of Alectra pursuant to which Jada postpones its Charge registered as Instrument No. YR2838164 to the easement in favour of Alectra registered as Instrument No. YR3104512.
8. Instrument No. YR3112592 is a Charge registered on June 25, 2020 in favour of Guohui Liang in the amount of \$2,800,000.00.
9. Instrument No. YR3143292 is a Construction Lien registered on September 22, 2020 in favour of Integrated Building & Design Corporation in the amount of \$360,647.00.
10. Instrument No. YR3165672 is a Certificate of Action registered on November 5, 2020 relating to the Construction Lien registered as Instrument No. YR3143292.

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

(unaffected by the Vesting Order)

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

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

10. The following instruments registered on title to the Property:
- a. Instrument No. RH69583 is a by-law registered May 14, 1979.
 - b. Instrument No. R368811 is a notice of an agreement registered May 14, 1985 between Pasquale and Lorenza Fedele, as owners and The Corporation of the Town of Richmond Hill (the "**Town**"), as the town regarding the use of the Property.
 - c. Instrument No. 65R30010 is a reference plan registered May 23, 2007.
 - d. Instrument No. YR988709 is an application for absolute title registered May 23, 2007.
 - e. Instrument No. 65R35056 is a reference plan registered July 9, 2014.
 - f. Instrument No. YR2283239 is a notice of an agreement registered April 28, 2015 between Pasquale and Lorenza Fedele, as owners and the Town dealing with the development of the Property.
 - g. Instrument No. YR2315260 is an order of the land registrar registered July 2, 2015 which amends the legal description.
 - h. Instrument No. YR2739494 is a Transfer from 2465900 Ontario Limited to Highyon GP No. 118 Corp. as general partner of Highyon Development No. 118 LP registered September 29, 2017.
 - i. Instrument No. YR3104512 is an Easement in favour of Alectra Utilities Corporation registered June 1, 2020.
 - j. Instrument No. 65R39076 is a reference plan registered September 15, 2020.
 - k. Instrument No. YR3140932 is an application for absolute title registered September 15, 2020.
 - l. Instrument No. 65R39105 is a reference plan registered October 5, 2020.
 - m. Instrument No. YR3166044 is an Application to Register Court Order registered November 6, 2020 appointing RSM Canada Limited as receiver.

VECTOR FINANCIAL SERVICES LIMITED

Applicant

-and-

Court File No. CV-20-00637687-00CL
HIGHYON DEVELOPMENT NO. 118 LP and
HIGHYON GP NO. 118 CORP.
Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

APPROVAL AND VESTING ORDER

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

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elizabeth.rathbone@paliareroland.com

Lawyers for the Receiver

Court File No. CV-20-00637687-00CL

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

THE HONOURABLE)	WEDNESDAY, THE 13 th
)	
JUSTICE GILMORE)	DAY OF JANUARY, 2021

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO. 118 CORP.

Respondents

ORDER

THIS MOTION, made by RSM Canada Limited ("**RSM**"), in its capacity as the Court-appointed receiver (the "**Receiver**"), without security, over the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario (the "**Property**") for an order authorizing the Receiver to, among other things, enter into and carry out an agreement of purchase and sale for the Property (the "**APS**"), as described further in the First Report of the Receiver dated January 5, 2021 (the "**First Report**"), was heard this day by videoconference due to the COVID-19 crisis.

ON READING the First Report and the Confidential Appendix attached thereto, and on hearing the submissions of counsel for the Receiver and such other counsel

who were present, and no one else appearing, although properly served as appears from the affidavit of Michelle Jackson sworn January 6, 2021 filed:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that the First Report and the conduct and activities of the Receiver to December 31, 2020 set out therein be and are hereby approved.
3. **THIS COURT ORDERS** that Confidential Appendix “D” to the First Report be and hereby is sealed until the closing of the sale of the Property.
4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period ending December 31, 2020 as set out in the First Report be and are hereby approved.
5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver’s counsel for the period ending December 31, 2020 as set out in the First Report be and are hereby approved.
6. **THIS COURT ORDERS** that the Receiver’s statement of receipts and disbursements for the period September 18, 2020 to December 31, 2020 as set out in the First Report be and is hereby approved.
7. **THIS COURT ORDERS** that the Receiver is authorized make the Proposed Distribution (as such term is defined in the First Report) from the net proceeds of the sale of the Property.
8. **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.



C. Moore, Jr.

VECTOR FINANCIAL SERVICES LIMITED

Applicant

-and-

Court File No. CV-20-00637687-00CL

HIGHYON DEVELOPMENT NO. 118 LP and
HIGHYON GP NO. 118 CORP.

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

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Tel: 416.646.7488

elizabeth.rathbone@paliareroland.com

Lawyers for the Receiver

RSM Canada Limited
Court-Appointed Receiver of 9113 & 9125 Bathurst Street, Richmond Hill, Ontario
Interim Statement of Receipts and Disbursements
for the period September 18, 2020 to September 24, 2021

Receipts

Proceeds from Sale of Property	\$	6,800,000
Advance from Secured Creditor (Note 1)		15,000
HST Refund		313
Interest		3,938
Total Receipts	\$	<u>6,819,251</u>

Disbursements

Commission on Sale of Property	\$	119,000
Property Taxes		8,294
Consulting Fees - Environmental		5,650
Property Management Fees		2,565
Miscellaneous		737
Repairs & Maintenance		900
Receiver's fees		83,880
Legal fees		50,666
HST		34,099
Total Disbursements	\$	<u>305,790</u>

Excess of receipts over disbursements	\$	<u>6,513,461</u>
Less: Payments to Secured Creditor (Note 2)		(6,227,576)
Net Cash on Hand	\$	<u><u>285,885</u></u>

Notes:

1. This amount represents an advance from Vector Financial Services Limited secured by Receiver Certificate No. 1.
2. This amount includes the repayment of the advance secured by Receiver Certificate No. 1, plus interest thereon.

This Appendix forms part of the Second Report of the Receiver dated September 27, 2021, and should only be read in conjunction therewith.



June 25, 2021

Via Email: daniela.pesikan@cra-arc.gc.ca

Canada Revenue Agency
Shawinigan – Sud National Verification and Collections Centre
4695 Shawinigan-Sud Boulevard
Shawinigan QC G9P 5H9

Attention: Daniela Pesikan

Dear Ms. Pesikan:

RSM Canada Limited
Licensed Insolvency Trustee

11 King St W
Suite 700, Box 27
Toronto, ON M5H 4C7

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

www.rsmcanada.com

**Re: In the matter of the Court-appointed Receivership of 9113 and 9125 Bathurst Street,
Richmond Hill, Ontario**
Account Name: Highyon Development No. 118 LP
Account No.: 79911 5886

We are writing further to the Receiver's letters to CRA dated March 9, 2021 and April 30, 2021, copies of which are enclosed herein for your reference.

In the Receiver's letter dated April 30, 2021, the Receiver informed CRA that if the Receiver did not receive CRA's claim by May 31, 2021, the Receiver would assume that CRA was not making a claim to the Remaining Funds (as defined in the Receiver's April 30 letter).

The Receiver has not, as of the date of this letter, received CRA's claim to the Remaining Funds. Accordingly, the Receiver is re-confirming its assumption that CRA is not making a claim to the Remaining Funds.

If CRA is not in agreement with the Receiver's position as set out herein, we request that CRA so advise the Receiver by no later than July 15, 2021. If the Receiver does not receive a response to this letter by July 15, 2021, the Receiver will seek approval from the Court for a distribution of the Remaining Funds without regard to any claim of CRA.

Should you have any questions with respect to the above, please contact Ms. Echa Odeh at (647) 730-3728 or echa.odeh@rsmcanada.com or the writer at (416) 646-8778 or daniel.weisz@rsmcanada.com.

Yours truly,

RSM CANADA LIMITED, solely in its capacity as
Court-appointed Receiver of 9113 & 9125
Bathurst Street, Richmond Hill, Ontario
and not in its personal or corporate capacity

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

Encl.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



April 30, 2021

Via Fax: 416-954-6411

Canada Revenue Agency
 Shawinigan – Sud National Verification and Collections Centre
 4695 Shawinigan-Sud Boulevard
 Shawinigan QC G9P 5H9

Attention: Daniela Pesikan

Dear Ms. Pesikan:

**Re: In the matter of the Court-appointed Receivership of 9113 and 9125 Bathurst Street,
 Richmond Hill, Ontario
 Account Name: Highyon Development No. 118 LP
 Account No.: 79911 5886**

RSM Canada Limited
 Licensed Insolvency Trustee

11 King St W
 Suite 700, Box 27
 Toronto, ON M5H 4C7

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

www.rsmcanada.com

As you are aware, pursuant an Order of the Ontario Superior Court of Justice made on September 18, 2020, RSM Canada Limited was appointed as receiver (the “**Receiver**”), without security, of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario (the “**Properties**”), owned by Highyon Development No. 118 LP (the “**Company**” or the “**Debtor**”).

We are writing with reference to our March 9, 2021 letter to you, a copy of which is attached, as well as your discussion of April 28, 2021 with Ms. Echa Odeh of the Receiver’s office. Based on your discussion with Ms. Odeh, it is the Receiver’s understanding that Canada Revenue Agency (“**CRA**”) has not yet completed its audit of the Debtor’s HST returns, which has resulted in CRA not being in a position to inform the Receiver of any claim that CRA may have to the funds remaining in the Receiver’s possession resulting from the sale of the Properties (the “**Remaining Funds**”).

We are writing to advise you that it is the Receiver’s intention to make an application to the Court in early June 2021 for an Order that will, among other things, direct to which parties the Remaining Funds will be distributed. Accordingly, if CRA believes that it has a claim to all or a portion of the Remaining Funds as a result of the Company’s liability, if any, to CRA, we request that you advise the Receiver by no later than May 31, 2021 of the amount of the claim, as well as the basis upon which CRA is asserting its claim. **If we do not receive CRA’s claim by May 31, 2021, the Receiver will assume that CRA is not making a claim to the Remaining Funds** and the Receiver will proceed accordingly.

If CRA does submit a claim to the Remaining Funds, the Receiver will at that time review CRA’s claim, and will advise CRA of the Receiver’s position with respect to that claim.

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Should you have any questions with respect to the above, please contact Ms. Echa Odeh at (647) 730-3728 or echa.odeh@rsmcanada.com or the writer at (416) 646-8778 or daniel.weisz@rsmcanada.com.

Yours truly,

RSM CANADA LIMITED, solely in its capacity as
Court-appointed Receiver of 9113 & 9125
Bathurst Street, Richmond Hill, Ontario
and not in its personal or corporate capacity



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

Encl.



March 9, 2021

Via Fax: 416-954-6411

Canada Revenue Agency
 Shawinigan – Sud National Verification and Collections Centre
 4695 Shawinigan-Sud Boulevard
 Shawinigan QC G9P 5H9

Attention: Daniela Pesikan

Dear Ms. Pesikan:

RSM Canada Limited
 Licensed Insolvency Trustee

11 King St W
 Suite 700, Box 27
 Toronto, ON M5H 4C7

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

www.rsmcanada.com

**Re: In the matter of the Court-appointed Receivership of 9113 and 9125 Bathurst Street,
 Richmond Hill, Ontario
 Account Name: Highyon Development No. 118 LP
 Account No.: 79911 5886**

As you are aware, on September 18, 2020, the Ontario Superior Court of Justice issued an Order (the “**Appointment Order**”), appointing RSM Canada Limited as receiver (the “**Receiver**”), without security, of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario (the “**Properties**”), owned by Highyon Development No. 118 LP (the “**Company**” or the “**Debtor**”). A copy of the Appointment Order is attached hereto, for your reference.

We understand that the Canada Revenue Agency (“**CRA**”) is in the process of auditing the Debtor’s HST returns, which may result in a claim against the Company and/or the Properties. However, the Receiver has not received any Proof of Claim from CRA at this time.

As the Receiver is in the process of calculating the final distribution from the proceeds of sale of the Properties, we hereby request that CRA file a Proof of Claim with the Receiver, if applicable, by no later than Friday, March 26, 2021.

Additionally, further to your telephone conversation with Echa Odeh in January, 2021, please note that the Receiver cannot comment on whether any claim is admissible in the Receivership and it is recommended that the CRA seek further advice from their counsel as to the validity of any claim filed.

Should you have any questions, please contact Echa Odeh of the Receiver’s office at (647) 730-3728 or echa.odeh@rsmcanada.com.

Yours truly,

RSM CANADA LIMITED, solely in its capacity as
 Court-appointed Receiver of 9113 & 9125
 Bathurst Street, Richmond Hill, Ontario
 and not in its personal or corporate capacity

Jeff Berger

Per: Jeffrey Berger, CPA, CA, CIRP, LIT
 Senior Manager

Encl.

THE POWER OF BEING UNDERSTOOD
 AUDIT | TAX | CONSULTING

cv-20-00637687-00CL

Court File No. ~~CV-20-0063787-00CL~~

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAME

)

TUESDAY, THE 8TH

)

JUSTICE GILMORE

)

DAY OF SEPTEMBER, 2020



VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO. 118 CORP

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing RSM Canada Limited ("RSM") as receiver (in such capacity the "Receiver") without security, of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario and legally described in Schedule "A", including all proceeds thereof (collectively, the "Property") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Noah Mintz sworn March 9, 2020 and the supplementary affidavit of Noah Mintz sworn August 28, 2020 and the respective Exhibits thereto and on hearing the submissions of counsel for the Applicant, and those other parties listed on the counsel slip, no one else appearing for any other party although duly served as appears from the affidavit of service of Katherine Yurkovich

- 2 -

sworn March 10, 2020, and the affidavit of service of Alma Cano sworn September 1, 2020, and on reading the consent of RSM to act as the Receiver,

APPOINTMENT

1. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM is hereby appointed Receiver, without security, of the Property.

RECEIVER'S POWERS

2. **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 engage consultants, appraisers, agents, real estate brokers, 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;
- (d) to receive and collect all monies and accounts now owed or hereafter owing to Highyon Development No. 118 LP and Highyon GP No. 118 Corp. (collectively, the "**Debtors**"), with respect to the Property and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (e) to settle, extend or compromise any indebtedness owing to the Debtors with respect to the Property;

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- (f) to execute, assign, issue and endorse documents of whatever nature in respect of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (g) 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 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;
- (h) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of this Court, and 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;
- (j) 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;
- (k) 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;
- (l) to register a copy of this Order and any other Orders in respect of the Property against title to the Property;
- (m) to apply for any permits, licences, approvals or permissions in respect of the Property as may be required by any governmental authority and any renewals thereof or and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

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- (n) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor; and
- (o) 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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. THIS COURT ORDERS that (i) the Debtors, (ii) all of their 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.

4. 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 Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. 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

6. 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 PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

8. THIS COURT ORDERS that all rights and remedies against 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 Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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

9. 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 Debtors in connection with or relating to the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

10. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors in connection with or relating to the Property or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors in connection with or related to 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.

RECEIVER TO HOLD FUNDS

11. 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 relating to the Property 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

12. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors. 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

13. 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,

- 7 -

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 Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

ACCESS RIGHTS / NO POSSESSION BY THE RECEIVER

14. THIS COURT ORDERS that the Receiver shall not go into possession of the Property.

15. THIS COURT ORDERS that the Receiver is authorized to have access to the Property including any fenced-in area of the Property and any buildings or dwellings on the Property, and to provide access to the Property to the Receiver's agents, or any prospective purchaser of the Property and / or their agents or any other party. For greater certainty, neither the Receiver nor any other party shall be deemed to be in possession of the Property as a result of: (i) it taking any steps to secure or maintain the Property including any buildings or dwellings situated thereon; (ii) it entering any buildings or dwellings on the Property or (iii) it exercising those access rights provided for in this paragraph 15.

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 \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim

expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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 <www.rsmcanada.com/9113-and-9125-bathurst>

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 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to

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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

27. 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.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors or any of them.

29. 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.

30. 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.

31. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by from any realizations from the Property with such priority and at such time as this Court may determine.

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



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

SEP 11 2020

SCHEDULE "A"**LEGAL DESCRIPTION OF REAL PROPERTY**

- **PIN 03215-1220 (LT):** PT LT 12 PL 1960 VAUGHAN AS IN R430908; EXCEPT PT 6 65R34243; TOWN OF RICHMOND HILL
- **PIN 03215-1223 (LT):** PT LTS 11 & 12 PL 1960 (VGN) PTS 1 & 2 65R30010 EXCEPT PTS 6 & 7 65R34155 & EXCEPT PT 7 65R34243 AND SAVE & EXCEPT PTS 2 & 3, ON 6535056; TOWN OF RICHMOND HILL

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "**Receiver**") of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario, 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 application 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 _____, _____.

RSM CANADA LIMITED, solely in its capacity
as Receiver of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

CV-20-00637687-00CL

Court File No. **CV-20-0063787-00CL**

VECTOR FINANCIAL SERVICES LIMITED

- and -

**HIGHYON DEVELOPMENT NO. 118 LP and
HIGHYON GP NO. 118 CORP.**

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

Respondents

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

PROCEEDING COMMENCED AT TORONTO

RECEIVERSHIP ORDER

GOWLING WLG (CANADA) LLP
Barristers & Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5
Tel: 416-862-7525
Fax: 416-862-7661

Thomas Gertner (LSO# 67756S)
Tel: 416-369-4618
thomas.gertner@gowlingwlg.com

Solicitors for the Applicant



April 30, 2021

Via Fax: 416-954-6411

Canada Revenue Agency
Shawinigan – Sud National Verification and Collections Centre
4695 Shawinigan-Sud Boulevard
Shawinigan QC G9P 5H9

Attention: Daniela Pesikan

Dear Ms. Pesikan:

**Re: In the matter of the Court-appointed Receivership of 9113 and 9125 Bathurst Street,
Richmond Hill, Ontario
Account Name: Highyon Development No. 118 LP
Account No.: 79911 5886**

As you are aware, pursuant an Order of the Ontario Superior Court of Justice made on September 18, 2020, RSM Canada Limited was appointed as receiver (the “**Receiver**”), without security, of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario (the “**Properties**”), owned by Highyon Development No. 118 LP (the “**Company**” or the “**Debtor**”).

We are writing with reference to our March 9, 2021 letter to you, a copy of which is attached, as well as your discussion of April 28, 2021 with Ms. Echa Odeh of the Receiver’s office. Based on your discussion with Ms. Odeh, it is the Receiver’s understanding that Canada Revenue Agency (“**CRA**”) has not yet completed its audit of the Debtor’s HST returns, which has resulted in CRA not being in a position to inform the Receiver of any claim that CRA may have to the funds remaining in the Receiver’s possession resulting from the sale of the Properties (the “**Remaining Funds**”).

We are writing to advise you that it is the Receiver’s intention to make an application to the Court in early June 2021 for an Order that will, among other things, direct to which parties the Remaining Funds will be distributed. Accordingly, if CRA believes that it has a claim to all or a portion of the Remaining Funds as a result of the Company’s liability, if any, to CRA, we request that you advise the Receiver by no later than May 31, 2021 of the amount of the claim, as well as the basis upon which CRA is asserting its claim. **If we do not receive CRA’s claim by May 31, 2021, the Receiver will assume that CRA is not making a claim to the Remaining Funds** and the Receiver will proceed accordingly.

If CRA does submit a claim to the Remaining Funds, the Receiver will at that time review CRA’s claim, and will advise CRA of the Receiver’s position with respect to that claim.

RSM Canada Limited
Licensed Insolvency Trustee

11 King St W
Suite 700, Box 27
Toronto, ON M5H 4C7

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


www.rsmcanada.com

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Should you have any questions with respect to the above, please contact Ms. Echa Odeh at (647) 730-3728 or echa.odeh@rsmcanada.com or the writer at (416) 646-8778 or daniel.weisz@rsmcanada.com.

Yours truly,

RSM CANADA LIMITED, solely in its capacity as
Court-appointed Receiver of 9113 & 9125
Bathurst Street, Richmond Hill, Ontario
and not in its personal or corporate capacity



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

Encl.



March 9, 2021

Via Fax: 416-954-6411

Canada Revenue Agency
Shawinigan – Sud National Verification and Collections Centre
4695 Shawinigan-Sud Boulevard
Shawinigan QC G9P 5H9

Attention: Daniela Pesikan

Dear Ms. Pesikan:

RSM Canada Limited
Licensed Insolvency Trustee

11 King St W
Suite 700, Box 27
Toronto, ON M5H 4C7

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

www.rsmcanada.com

**Re: In the matter of the Court-appointed Receivership of 9113 and 9125 Bathurst Street,
Richmond Hill, Ontario
Account Name: Highyon Development No. 118 LP
Account No.: 79911 5886**

As you are aware, on September 18, 2020, the Ontario Superior Court of Justice issued an Order (the “**Appointment Order**”), appointing RSM Canada Limited as receiver (the “**Receiver**”), without security, of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario (the “**Properties**”), owned by Highyon Development No. 118 LP (the “**Company**” or the “**Debtor**”). A copy of the Appointment Order is attached hereto, for your reference.

We understand that the Canada Revenue Agency (“**CRA**”) is in the process of auditing the Debtor’s HST returns, which may result in a claim against the Company and/or the Properties. However, the Receiver has not received any Proof of Claim from CRA at this time.

As the Receiver is in the process of calculating the final distribution from the proceeds of sale of the Properties, we hereby request that CRA file a Proof of Claim with the Receiver, if applicable, by no later than Friday, March 26, 2021.

Additionally, further to your telephone conversation with Echa Odeh in January, 2021, please note that the Receiver cannot comment on whether any claim is admissible in the Receivership and it is recommended that the CRA seek further advice from their counsel as to the validity of any claim filed.

Should you have any questions, please contact Echa Odeh of the Receiver’s office at (647) 730-3728 or echa.odeh@rsmcanada.com.

Yours truly,

RSM CANADA LIMITED, solely in its capacity as
Court-appointed Receiver of 9113 & 9125
Bathurst Street, Richmond Hill, Ontario
and not in its personal or corporate capacity

Jeff Berger

Per: Jeffrey Berger, CPA, CA, CIRP, LIT
Senior Manager

Encl.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

cv-20-00637687-00CL

Court File No. ~~CV-20-0063787-00CL~~

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAME

)

TUESDAY, THE 8TH

)

JUSTICE GILMORE

)

DAY OF SEPTEMBER, 2020



VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO. 118 CORP

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing RSM Canada Limited ("RSM") as receiver (in such capacity the "Receiver") without security, of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario and legally described in Schedule "A", including all proceeds thereof (collectively, the "Property") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Noah Mintz sworn March 9, 2020 and the supplementary affidavit of Noah Mintz sworn August 28, 2020 and the respective Exhibits thereto and on hearing the submissions of counsel for the Applicant, and those other parties listed on the counsel slip, no one else appearing for any other party although duly served as appears from the affidavit of service of Katherine Yurkovich

- 2 -

sworn March 10, 2020, and the affidavit of service of Alma Cano sworn September 1, 2020, and on reading the consent of RSM to act as the Receiver,

APPOINTMENT

1. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM is hereby appointed Receiver, without security, of the Property.

RECEIVER'S POWERS

2. **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 engage consultants, appraisers, agents, real estate brokers, 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;
- (d) to receive and collect all monies and accounts now owed or hereafter owing to Highyon Development No. 118 LP and Highyon GP No. 118 Corp. (collectively, the "**Debtors**"), with respect to the Property and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (e) to settle, extend or compromise any indebtedness owing to the Debtors with respect to the Property;

- 3 -

- (f) to execute, assign, issue and endorse documents of whatever nature in respect of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (g) 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 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;
- (h) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of this Court, and 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;
- (j) 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;
- (k) 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;
- (l) to register a copy of this Order and any other Orders in respect of the Property against title to the Property;
- (m) to apply for any permits, licences, approvals or permissions in respect of the Property as may be required by any governmental authority and any renewals thereof or and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

- 4 -

- (n) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor; and
- (o) 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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. THIS COURT ORDERS that (i) the Debtors, (ii) all of their 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.

4. 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 Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. 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

- 5 -

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

6. 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 PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

8. THIS COURT ORDERS that all rights and remedies against 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 Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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

9. 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 Debtors in connection with or relating to the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

10. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors in connection with or relating to the Property or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors in connection with or related to 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.

RECEIVER TO HOLD FUNDS

11. 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 relating to the Property 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

12. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors. 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

13. 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,

- 7 -

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 Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

ACCESS RIGHTS / NO POSSESSION BY THE RECEIVER

14. THIS COURT ORDERS that the Receiver shall not go into possession of the Property.

15. THIS COURT ORDERS that the Receiver is authorized to have access to the Property including any fenced-in area of the Property and any buildings or dwellings on the Property, and to provide access to the Property to the Receiver's agents, or any prospective purchaser of the Property and / or their agents or any other party. For greater certainty, neither the Receiver nor any other party shall be deemed to be in possession of the Property as a result of: (i) it taking any steps to secure or maintain the Property including any buildings or dwellings situated thereon; (ii) it entering any buildings or dwellings on the Property or (iii) it exercising those access rights provided for in this paragraph 15.

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 \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim

expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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 <www.rsmcanada.com/9113-and-9125-bathurst>

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 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to

- 10 -

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

27. 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.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors or any of them.

29. 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.

30. 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.

31. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by from any realizations from the Property with such priority and at such time as this Court may determine.

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



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

SEP 11 2020

SCHEDULE "A"**LEGAL DESCRIPTION OF REAL PROPERTY**

- **PIN 03215-1220 (LT):** PT LT 12 PL 1960 VAUGHAN AS IN R430908; EXCEPT PT 6 65R34243; TOWN OF RICHMOND HILL
- **PIN 03215-1223 (LT):** PT LTS 11 & 12 PL 1960 (VGN) PTS 1 & 2 65R30010 EXCEPT PTS 6 & 7 65R34155 & EXCEPT PT 7 65R34243 AND SAVE & EXCEPT PTS 2 & 3, ON 6535056; TOWN OF RICHMOND HILL

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "**Receiver**") of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario, 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 application 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 _____, _____.

RSM CANADA LIMITED, solely in its capacity
as Receiver of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

CV-20-00637687-00CL
Court File No. CV-20-0063787-00CL

VECTOR FINANCIAL SERVICES LIMITED
- and -
HIGHYON DEVELOPMENT NO. 118 LP and
HIGHYON GP NO. 118 CORP.

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

Respondents

<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>PROCEEDING COMMENCED AT TORONTO</p> <p>RECEIVERSHIP ORDER</p>	<p>GOWLING WLG (CANADA) LLP Barristers & Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 Toronto ON M5X 1G5 Tel: 416-862-7525 Fax: 416-862-7661</p> <p>Thomas Gertner (LSO# 67756S) Tel: 416-369-4618 thomas.gertner@gowlingwlg.com</p> <p>Solicitors for the Applicant</p>
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Mortgage Discharge Statement

Jada Mortgage loan to Highyon GP No. 118 Corp./Highyon Development No. 118 LP
9113 & 9125 Bathurst St., Richmond Hill

Payout date:	January 27, 2021	
Principal amount		\$ 425,000.00
Accrued interest	Last payment Sept. 7, 2020	19,794.52
Prepayment Charge:		-
Lender fee		-
Property Tax account balance		-
Statement fee (incl. HST)		333.35
Discharge fee (incl. HST)		559.35
Registration		<u>77.62</u>
Balance Due		\$ 445,764.84
Per diem rate:	\$139.73	

This statement may be relied upon until February 7, 2021, after which a new statement will be required. Per diem interest applies to payments received after 2:00 p.m.

I/We hereby authorize and direct you to make the Balance Due, plus applicable per diem, payable to my/our solicitor, James Lai in Trust, and I/we hereby instruct our solicitor to register the Discharge once all funds due have been received and cleared.

Date: .

George Naim Jada

Jeffrey Larry
T 416.646.4330 Asst 416.646.7404
F 416.646.4301
E jeff.larry@paliareroland.com
www.paliareroland.com

File 10288

September 27, 2021

VIA EMAIL

Daniel Weisz
Senior Vice-President
RSM Canada Limited
11 King St. W., Suite 700, Box 27,
Toronto, Ontario, Canada, M5H 4C7

Dear Mr. Weisz:

Re: Highyon Development No. 118 LP (the "Debtor") and Highyon GP No. 118 Corp. ("Highyon Corp." and with the Debtor, the "Highyon Entities")

You have asked us in your capacity as court-appointed receiver of the real property located at 9113 and 9125 Bathurst Street, Richmond Hill, Ontario, having the legal description set out in Schedule "E" (the "**Property**"), to review certain loan, security and related documentation relating to the Debtor's indebtedness to George Naim Jada ("**Jada**") and, in particular, Jada's security over the Property.

SCOPE OF REVIEW

The scope of our review is limited to a) those security and related documents listed in Schedule "A" hereto and b) the Search Results (defined below) (collectively, the "**Documents**"). The only searches and inquiries conducted by us are those referred to in this letter, the results of which are summarized in Schedule "D" attached hereto (the "**Search Results**").

We reviewed the Documents generally to identify any aspect of the Documents or any registrations which did not appear complete and regular on their face, or which appeared to raise material issues. We have also listed in Schedule "A" attached hereto documents that were not reviewed even though they are referenced in the Documents.

This report is limited to the laws of the Province of Ontario and the federal laws of Canada applicable therein. We express no opinion with respect to the validity of Documents to the extent such validity is governed by the laws of any other Jurisdiction.

Chris G. Paliare
Ian J. Roland
Ken Rosenberg
Linda R. Rothstein
Richard P. Stephenson
Nick Coleman
Donald K. Eady
Gordon D. Capern
Lily I. Harmer
Andrew Lokan
John Monger
Odette Soriano
Andrew C. Lewis
Megan E. Shortreed
Massimo Starnino
Karen Jones
Robert A. Centa
Nini Jones
Jeffrey Larry
Kristian Borg-Olivier
Emily Lawrence
Tina H. Lie
Jean-Claude Killey
Jodi Martin
Michael Fenrick
Ren Bucholz
Jessica Latimer
Lindsay Scott
Alysha Shore
Denise Cooney
Paul J. Davis
Lauren Pearce
Elizabeth Rathbone
Daniel Rosenbluth
Glynnis Hawe
Emily Home
Hailey Bruckner
Charlotté Calon

COUNSEL

Stephen Goudge, Q.C.

COUNSEL

Ian G. Scott, Q.C., O.C.
(1934 - 2006)

ASSUMPTIONS AND QUALIFICATIONS

Our opinion as to the validity of the Documents is subject to the assumptions and qualifications set out in Schedules "B" and "C", respectively, attached hereto.

SEARCH RESULTS

Corporate History

Our corporate search conducted on December 29, 2020 reveals that Highyon Corp. was incorporated on September 14, 2017 pursuant to the laws of the Province of Ontario.

Our limited partnership search conducted on December 29, 2020 reveals that Highyon LP was created on August 1, 2017 pursuant to the laws of the Province of Ontario.

Personal Property Searches

We conducted searches against the Debtor as noted in Schedule "D" under the following statutes:

1. *Bankruptcy and Insolvency Act* (Canada);
2. Section 427 of the *Bank Act* (Canada);
3. *Executions Act* (Ontario); and
4. *Personal Property Security Act* (Ontario) (the "**PPSA**").

The results of our searches are summarized in Schedule "D". The Province of Ontario does not have a system for registering title to personal property and, accordingly, we cannot confirm whether the Debtor holds title to any of the personal property referred to herein.

Real Property Searches

We conducted a search of title to the Property on September 24, 2021. The search confirmed that all prior relevant registrations were deleted against title in connection with the registration of the vesting order on January 29, 2021.

Our title search for the Property dated December 29, 2020, shows that the following registrations were in place at that time (and prior to the registration of the vesting order):

PIN Nos. 03215-1223 (LT) and 03215-1459 (LT)

1. Charge/Mortgage in favour of Vector registered on September 29, 2017 as instrument No. YR2739495;
2. Notice of Assignment of Rents General to Vector Financial Services Limited registered on September 29, 2017 as instrument No. YR2739496;
3. Charge/Mortgage in favour of George Naim Jada registered on June 15, 2018 as instrument No. YR2838164 (the "**Jada Mortgage**");
4. Notice in favour of Vector registered on October 4, 2019 as instrument No. YR3017154;
5. Transfer Easement in favour of Alectra Utilities Corporation registered on June 1, 2020 as instrument No. YR3104512;
6. Charge/Mortgage in favour of Guohui Liang registered on June 25, 2020 as instrument No. YR3112592;
7. Construction lien in favour of Integrated Building & Design Corporation registered on September 22, 2020 as instrument no. YR3143292 (the "**IBDC Lien**"); and
8. Court Order of the Ontario Superior Court of Justice filed on November 6, 2020 as instrument No. YR3166044.

An execution search was conducted against the Debtor in Ontario on September 24, 2021, which search revealed that there were no writs of execution registered against the Debtors.

SECURITY REVIEW

Subject to the assumptions and qualifications set out in this letter, we have the following comments and opinions with respect to the Documents.

Jada Loan

The Jada Mortgage was registered as a second ranking mortgage against the Property on June 15, 2018.

According to an Acknowledgment dated June 18, 2018 and signed by the Debtor, no new advances were made by Jada to the Debtor in connection with, or at the time of, the registration of the Jada Mortgage. Rather, the Acknowledgment provides that the Jada Mortgage was given "to consolidate existing loans which have already been advanced to [the Debtor]."

The existing loans referenced in the Acknowledgment are three mortgages given by Highyon Assets Corp. in favour of George N. Jada, Naim G. Jada and Rawan Jada as follows:

1. mortgage on title to 350 Highway 7 East, Suite 310 in the amount of \$250,000 registered on May 29, 2012;
2. mortgage on title to 350 Highway 7 East Suite 302 in the amount of \$125,000 registered on July 7, 2016; and
3. mortgage on title to 350 Highway 7 East, Suite 310 in the amount of \$50,000 registered on July 7, 2016.

We give no opinion as to whether good consideration was given in connection with the Jada Mortgage and, for purposes of this opinion, we assume that the consideration was good and sufficient.

OPINIONS WITH RESPECT TO VALIDITY AND PRIORITY OF SECURITY

In our opinion, based on the assumptions and subject to the qualifications set out herein, the Jada Mortgage grants, by its terms, a valid second-ranking charge on the Property in favour of Jada.

We note that Integrated Building & Design Corporation registered a construction lien on September 22, 2020 and claims priority over the Jada Mortgage. We give no opinion about the validity of the IBDC Lien or its relative priority, if any.

This review is provided to you in your capacity as court-appointed receiver of the Property pursuant to the order of the Honourable Madam Justice Gilmore dated September 8, 2020. This letter may not be relied on by any other person without our prior written consent.

Please do not hesitate to contact us if you wish to discuss any of the foregoing.

Yours very truly,
PALIARE ROLAND ROSENBERG ROTHSTEIN LLP



Jeffrey Larry
JL:ss
Encl.

SCHEDULE "A"

DOCUMENTS REVIEWED

Documents not defined below shall have the meaning ascribed to them in the body of the security review letter.

Jada Security Documents:

1. the charge in favour of Jada and the Additional Charge provisions in connection with the Jada Mortgage in the original principal sum of \$425,000; and
2. Acknowledgment signed by the Debtor dated June 18, 2018.

DOCUMENTS NOT REVIEWED

The following documents have not been reviewed as part of giving this opinion:

1. The transfer easement in favour of Alectra Utilities Corporation;
2. The charge/mortgage in favour of Guohui Liang; and
3. The construction lien in favour of Integrated Building & Design Corporation.

SCHEDULE "B"

ASSUMPTIONS

For the purposes of conducting this review, we have assumed the following:

1. that the signatures on the Documents are genuine and that the Documents submitted to us as photocopies or facsimile copies conform to authentic original Documents, and that all Documents were fully completed prior to execution and delivery;
2. that the Debtor had at all relevant times the necessary status, power and capacity, as applicable, to grant to Jada the Documents to which it is party and to perform its obligations under each of those Documents;
3. that there are no leases in respect of the Property, thus no outstanding amounts owing to any of the lessees under any leases that could have priority to the Jada Mortgage;
4. that the Documents were duly authorized, executed and delivered to and in favour of Jada;
5. that the Documents were provided, as the case may be, to Jada by the Debtor on the basis of informed consent and advice and for value;
6. that Jada holds proper evidence of the amount of indebtedness owed to it by the Debtor and the dates on which such indebtedness was incurred;
7. that none of the Documents has been assigned, amended, superseded, released, discharged or otherwise impaired, either in whole or in part;
8. that the Debtor holds legal and beneficial title to the Property and that the Property was, at the time of the granting of the relevant security interest, and is presently, in Ontario;
9. the accuracy and completeness of the descriptions of all property of the Debtor referred to in any Document;
10. that there are no agreements to which the Debtor is a party or was a party at the time of the execution of the Documents which might impair its ability to execute and deliver or grant any of the Documents to which it is a party or to perform any of its obligations thereunder;
11. that none of the Documents, originals or copies which we examined, has been amended (except as set out in this letter), and there are no other agreements or understandings between the parties that would amend, supplement or qualify any provisions of the Documents;

12. to the extent that a security interest in investment property (as defined in the PPSA) has been granted by the Debtor to Jada, Jada has control of such investment property;
13. that no execution creditor or other person has seized or caused seizure of any asset of the Debtor; and
14. that the public records examined by us in connection with this report were complete and accurate when examined.

SCHEDULE "C"

QUALIFICATIONS

1. We express no opinion with respect to title to any of the personal property or the Property charged by the Documents.
2. We express no opinion as to the priority of any security interest created by the Documents as against any statutory liens, charges, deemed trusts or other priorities.
3. We express no opinion as to any security interest created by the Documents with respect to any property of the Debtor that is transformed in such a way that it is not identifiable or traceable or any proceeds of property of the Debtor that are not identifiable or traceable.
4. We express no opinion as to the creation or validity of any charge of, assignment or transfer of or security interest in any of the following property or any interest of the Debtor therein: (i) any policy of insurance or contract of annuity; (ii) any permits, quotas, licenses and other property which is not personal property; and (iii) any property consisting of a receivable, license, approval, privilege, franchise, permit, lease or agreement (collectively, the "Special Property") to the extent that the terms of the Special Property or any applicable law prohibits its assignment or requires as a condition of its assignability, a consent, approval, notice or other authorization or registration which has not been made or given.
5. No opinion is expressed under the terms of this opinion with respect to the laws of any jurisdiction (other than Ontario) to the extent that such laws may govern the validity, perfection, effect of perfection or non-perfection of the security interests created by the Documents as a result of the application of Ontario conflict of law rules.
6. We did not investigate whether, any steps were taken in connection with the registration of the Documents or of any of the interests created thereunder: (i) under the Patent Act (Canada), the Trade-marks Act (Canada), the Industrial Designs Act (Canada), the Integrated Circuit Topography Act (Canada), the Copyright Act (Canada) or the Plant Breeders' Rights Act (Canada); (ii) in respect of any vessel which is registered or recorded under the Canada Shipping Act (Canada); (iii) in respect of any rolling stock to which the provisions of the Canada Transportation Act (Canada) or the Shortline Railways Act (Ontario) may apply; or (iv) under the Financial Administration Act (Canada).
7. Provisions of the Document which purport to exculpate any secured party from liability for its acts or which purport to confirm the continuance of

obligations notwithstanding any act or omission or other matter are subject to the discretion of an Ontario Court.

8. An Ontario Court may decline to enforce the rights of indemnity and contribution potentially available under the Documents to the extent that they are found to be contrary to equitable principles or public policy.
9. An Ontario Court may decline to enforce those provisions of the Documents which purport to allow a determination, calculation or certificate of a party thereto as to any manner provided for therein to be final, conclusive and binding upon any other party thereto if such determination is found to be inaccurate on its face or to have been reached or made on an arbitrary or fraudulent basis.
10. Wherever any matter or thing is to be determined or done in the discretion of any secured party, such discretion may be required to be exercised in a commercially reasonable manner and in good faith.
11. With respect to the charge of, or transfer or pledge or assignment of, or the granting of a security interest in, any account or like personal property pursuant to the Documents, notice may have to be given to the obligor thereunder and the secured creditors may be subject to the equities between the obligor and the grantor of the security interest in the event that it wishes to enforce any such account or like personal property as against the obligor under such account or like personal property.
12. Powers of attorney contained in any of the Documents, although expressed to be irrevocable, may in some circumstances be revoked, including without limitation, pursuant to the Substitute Decisions Act (Ontario).
13. Pursuant to section 8 of the Interest Act (Canada), no fine, penalty or rate of interest may be exacted on any arrears of principal or interest secured by a mortgage on real property that has the effect of increasing the charge on the arrears beyond the rate of interest payable on principal money not in arrears.

SCHEDULE "D"

**SUMMARY OF SECURITY SEARCHES AGAINST HIGHYON DEVELOPMENT
NO. 118 LP ("Highyon LP") and HIGHYON GP NO 118 CORP.
("Highyon Corp.")**

Note that all of the following search results are the same for both Highyon LP and Highyon Corp.

A. Personal Property Security Act (Ontario)

(File Currency: September 23, 2021)

1. Secured Party: Vector Financial Services Limited

Collateral Classification: Inventory, Equipment, Accounts, Other

General Collateral Description: Security documentation relating to property located at 9113 and 9125 Bathurst Street, Richmond Hill, Ontario.

Registration No.: 20170928 1101 1590 3194

File No. 732385422

Registration Date: September 28, 2017

Registration Period: 4 Years

Expiry Date: September 28, 2021

2. Secured Party: Vector Financial Services Limited

Collateral Classification: Inventory, Equipment, Accounts, Other

General Collateral Description: None

Registration No.: 20200306 0952 1862 0003

File No. 760678506

Registration Date: March 6, 2020

Registration Period: 4 Years

Expiry Date: March 6, 2024

B. Bank Act (Ontario)

Date of Search: September 24, 2021

CLEAR

C. Official Receiver (Bankruptcy)

Date of Search: September 24, 2020

CLEAR

D. Executions: Ontario

Date of Search: September 23 2020

CLEAR

SCHEDULE "E"

LEGAL DESCRIPTION OF REAL PROPERTY

Municipal Address: 9113 and 9125 Bathurst Street, Richmond Hill, Ontario

Firstly:

**PT LT 12 PL 1960 VAUGHAN AS IN R430908; EXCEPT PT 6
65R34243; TOWN OF RICHMOND HILL**

Secondly:

**PT LTS 11 & 12 PL 1960 (VGN) PTS 1 & 2 65R30010 EXCEPT
PTS 6 & 7 65R34155 & EXCEPT PT 7 65R34243 AND SAVE &
EXCEPT PTS 2 & 3, ON 6535056; TOWN OF RICHMOND HILL**

Firstly: 03215-1220 (LT)

Secondly: 03215-1223 (LT)

Land Titles Division of York (No.65)

Doc 3288264 v4

Court File No.: CV-20-00637687-00CL

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

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO 118 CORP

Respondents

**AFFIDAVIT OF DANIEL WEISZ
(Sworn September 27, 2021)**

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

1. I am a Senior Vice-President of RSM Canada Limited ("**RSM**") and as such I have personal knowledge of the matters to which I hereinafter depose, save and except those matters based upon information and belief, in which case I have stated the source of such facts, all of which I verily believe to be true.
2. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 8, 2020 (the "**Appointment Order**"), RSM Canada Limited was appointed as receiver (the "**Receiver**") without security, of the lands and premises municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario. Pursuant to

the endorsement of Madam Justice Gilmore dated September 8, 2020, the Appointment Order became effective at 5:00 p.m. on September 18, 2020.

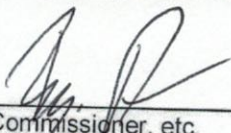
3. Attached hereto and marked as Exhibit "A" to this my affidavit are copies of invoices issued by RSM for fees and disbursements incurred by the Receiver in respect of these proceedings for the period January 1, 2021 to August 31, 2021 (the "Period"). The total fees charged for the Period are \$27,901.50, plus HST of \$3,627.20 for a total of \$31,528.70. The average hourly rate charged during the Period was \$446.42.

4. The invoices are a fair and accurate description of the services provided and the amounts charged by RSM for the Period.

5. Attached hereto and marked as Exhibit "B" is a schedule summarizing the invoices in Exhibit "A", the total billable hours charged, the total fees charged and the average hourly rate charged.

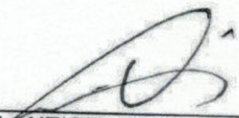
6. I make this affidavit in support of a motion for an Order approving the Receiver's fees and disbursements and for no other or improper purpose.

SWORN BEFORE ME remotely by)
Daniel Weisz, stated as being located)
at the City of Vaughan in the Province)
of Ontario, before me at the City of)
Toronto in the Province of Ontario, on)
September 27, 2021, in accordance)
with O. Reg 431/20, Administering)
Oath or Declaration Remotely.)



A Commissioner, etc.

Bryan Allan Tannenbaum,
a Commissioner, etc., Province of Ontario, for
RSM Canada LLP and RSM Canada Limited.
Expires February 4, 2024.



DANIEL WEISZ

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN REMOTELY
BEFORE ME THIS 27th DAY OF SEPTEMBER, 2021**



A Commissioner, etc.

**Bryan Allan Tannenbaum,
a Commissioner, etc., Province of Ontario, for
RSM Canada LLP and RSM Canada Limited.
Expires February 4, 2024.**



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

GST/HST: 80784 1440 RT 0001

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 F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
 Court-appointed Receiver of
 9113 & 9125 Bathurst Street, Richmond Hill, ON
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date February 10, 2021

Client File 7840515/10003

Invoice 3

No. 6234035

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of 9113 & 9125 Bathurst Street, Richmond Hill, ON, (referred to hereafter as the "**Property**") for the period January 1, 2021 through January 31, 2021.

Date	Professional	Description
01/04/2021	Daniel Weisz	Exchange emails with J. Lever of Cushman & Wakefield ("C&W") re date of application to court for approval of sale of the property; review draft opinion on Vector Financial Services Ltd. ("Vector") security and email to S. Thom of Torkin Manes LLP re same; review and exchange emails with P. Cho of WeirFoulds LLP; discussion with P. Cho re pending application to court; review summary of activities; work on affidavit of fees.
01/04/2021	Echa Odeh	Compile and collate appendices for the Receiver's First Report; prepare cheque requisition for property manager expense; email to debtor regarding HST audit and phone call with debtor re same; email to third party regarding sale process.
01/05/2021	Daniel Weisz	Discussion with J. Berger re status of various matters re finalizing the report to court; review final opinion on Vector security; exchange emails with B. MacKinnon re Vector mortgage payout statement; review updated summary of activities; review email from T. Gertner of Gowling WLG and respond to same; review and update report and confidential appendix thereto; discussion with T. Gertner; review Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") statement of account and affidavit of fees and email to J. Larry of Paliare Roland re same; finalize affidavit of fees; discussion with J. Larry re report and swearing of affidavit of fees; review Vector discharge statement and discussion with J. Larry on same; review statement of receipts and disbursements and confidential appendices and discussion with J. Berger on same.
01/05/2021	Jeff Berger	Prepare appendices and complete final review of Receiver's First Report; send report to B. Tannenbaum for review.
01/06/2021	Daniel Weisz	Email to purchaser's counsel re the approval and vesting order; finalize report and confidential appendix, review draft ancillary order, approval and vesting order and notice of motion and provide comments to Paliare Roland; email to

February 10, 2021

Invoice 3

Page 2

Date	Professional	Description
		J. Freeman re charges being deleted from title and review response thereto; discussion with E. Rathbone re draft court order; discussion with J. Larry re preparation of a factum.
01/06/2021	Jeff Berger	Finalize Receiver's report and forward to Paliare Roland.
01/08/2021	Daniel Weisz	Conference call with J. Larry and J. Berger to discuss requests of counsel to lien claimant and second mortgagee; discussion with J. Larry re his discussion with Goodmans LLP; discussion with J. Berger re potential HST deemed trust claim; review email from J. Larry and reply thereto.
01/08/2021	Echa Odeh	Phone call with Canada Revenue Agency ("CRA") regarding deemed trust claim; email to J. Berger regarding outcome of call with CRA; update service list and arrange for Receiver's webpage to be updated.
01/09/2021	Daniel Weisz	Review file and email to L. Hahn re the sale of the property.
01/11/2021	Daniel Weisz	Review, update and sign confidentiality agreement; review emails between J. Larry and T. Jacobson re position of the lien claimant.
01/12/2021	Daniel Weisz	Discussion with J. Larry re court attendance tomorrow; review and update confidentiality agreement re investors.
01/12/2021	Anne Baptiste	Prepare bank reconciliation.
01/13/2021	Daniel Weisz	Review email from M. Oelbaum of Vector and respond to same; prepare for and attend in court re the Receiver's application for approval of the sale of the property and other ancillary relief; review court orders received; conference call with M. Oelbaum, N. Mintz of Vector and J. Berger re today's court hearing; email court order to J. Freeman; exchange emails with J. Lever.
01/13/2021	Echa Odeh	Update service list.
01/13/2021	Jeff Berger	Prepare for and attend hearing re approval of the sale of the property; call with D. Weisz and representatives of the secured lender re same.
01/14/2021	Daniel Weisz	Discussion with J. Larry re yesterday's court attendance and his subsequent discussion with investor representative; discussion with J. Berger on same.
01/15/2021	Jeff Berger	Call with R. Pu regarding status of the sale transaction, etc.
01/15/2021	Daniel Weisz	Exchange emails with J. Larry re investor enquiry; exchange emails re closing of the transaction; discussion with J. Berger re call from R. Pu.
01/18/2021	Daniel Weisz	Review emails re closing; email to Vector re closing date.
01/19/2021	Echa Odeh	Request court documents to be updated to Receiver's webpage.
01/21/2021	Daniel Weisz	Process electronic payment.
01/22/2021	Daniel Weisz	Exchange emails with J. Freeman re change in counsel for the purchaser.
01/25/2021	Daniel Weisz	Review and sign documents re closing; discussion with J. Berger re statement of adjustments; email to W. Kirkton enclosing closing documents.
01/25/2021	Jeff Berger	Review statement of adjustments and send comments to D. Weisz.
01/26/2021	Daniel Weisz	Discussion with J. Larry re email from Justice Gilmore; review and sign additional closing documents and exchange emails with J. Freeman re same; discussion with J. Freeman re extension to closing requested by the purchaser; email to Vector re status of closing.
01/26/2021	Jeff Berger	Review Statement of Funds and provide comments on same to D. Weisz.
01/27/2021	Daniel Weisz	Review and exchange emails re closing of the sale of the property.

February 10, 2021
 Invoice 3
 Page 3

Date	Professional	Description
01/28/2021	Daniel Weisz	Exchange emails with J. Freeman re the status of closing and discussion with M. Oelbaum re status; discussion with J. Freeman re status of closing and review emails.
01/28/2021	Echa Odeh	Draft email to City of Richmond Hill.
01/29/2021	Daniel Weisz	Review email re status of the closing of the sale of the property; discussion with J. Freeman re status of closing; discussion with M. Oelbaum and N. Mintz re same, email to J. Larry re closing of the sale and the distribution of funds; review emails re closing of the sale; review of documents from the City of Richmond Hill and email to Cassels Brock & Blackwell LLP re same; review Statement of Funds and updated statement of adjustments; discussion with J. Berger re payments to be effected.
01/29/2021	Echa Odeh	Email to City of Richmond Hill; phone call with City of Richmond Hill and forward proof of claim to D. Weisz.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	16.9	\$595	\$ 10,055.50
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Senior Manager*	7.9	\$425	3,357.50
Echa Odeh	Senior Associate	2.7	\$225	607.50
Anne Baptiste	Estate Administrator	0.2	\$110	22.00
Total hours and professional fees		27.7		\$ 14,042.50
HST @ 13%				1,825.53
Total payable				\$ 15,868.03

*New rate effective January 1, 2021

VISA/MASTERCARD

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

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.



GST/HST: 80784 1440 RT 0001

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

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

www.rsmcanada.com

To RSM Canada Limited
 Court-appointed Receiver of
 9113 & 9125 Bathurst Street, Richmond Hill, ON
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date March 29, 2021

Client File 7840515/10003

Invoice 4

No. 6277234

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of 9113 & 9125 Bathurst Street, Richmond Hill, ON, (referred to hereafter as the "**Property**") for the period February 1, 2021 through February 28, 2021.

Date	Professional	Description
02/01/2021	Daniel Weisz	Review schedule of payments to be made; exchange emails with Vector Financial Services Ltd. ("Vector") and Gowling WLG re same: review and sign wire transfer request; process electronic payments; exchange emails re Vector request for wire confirmation.
02/01/2021	Echa Odeh	Prepare receipt processing form; email to service provider to obtain EFT details; prepare cheque requisitions; prepare wire payment request letter for payment from proceeds of sale; prepare confidential appendices for forwarding to the debtor.
02/01/2021	Jeff Berger	Attend to various administrative matters resulting from the closing of the sale transaction.
02/02/2021	Anne Baptiste	Post receipt and disbursements.
02/02/2021	Daniel Weisz	Discussion with J. Berger re status of insurance; process electronic payment.
02/02/2021	Echa Odeh	Prepare cheque requisition to pay property manager.
02/02/2021	Jeff Berger	Receipt and review of email from Highyon LP ("Highyon"); review confidential appendix from Receiver's First Report and send same to Highyon.
02/03/2021	Anne Baptiste	Post disbursement.
02/03/2021	Daniel Weisz	Review email re J. Berger discussion with Highyon.
02/03/2021	Jeff Berger	Discussion with R. Pu.
02/04/2021	Daniel Weisz	Discussion with J. Larry of Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") re status of review of claims to remaining funds and discussion with J. Berger re same.
02/05/2021	Echa Odeh	Draft letter to Canada Revenue Agency ("CRA") regarding proof of claim.
02/05/2021	Jeff Berger	Review draft letter to CRA and edit same.
02/08/2021	Daniel Weisz	Review and update summary of activities.

March 29, 2021
 Invoice 4
 Page 2

Date	Professional	Description
02/09/2021	Daniel Weisz	Review accounts rendered by Cassels Brock & Blackwell LLP and Paliare Roland and email to J. Berger re same.
02/10/2021	Echa Odeh	Prepare cheque requisitions for payment of legal fees.
02/11/2021	Donna Nishimura	Prepare cheque requisition and process paperwork for payment.
02/11/2021	Echa Odeh	Prepare cheque requisition for payment to PGL Environmental Consultants.
02/12/2021	Daniel Weisz	Process electronic payments.
02/17/2021	Daniel Weisz	Process electronic payment.
02/19/2021	Anne Baptiste	Post disbursements.
02/23/2021	Daniel Weisz	Discussion with J. Larry re status of remaining funds on hand.
02/24/2021	Daniel Weisz	Review interim statement of receipts and disbursements and discussion with J. Berger re amendments thereto; review revised document and discussion with J. Berger re same; review draft email to counsel for the lien claimant and second mortgagee and provide comments to J. Larry.
02/24/2021	Jeff Berger	Prepare Receiver's interim statement of receipts and disbursements and update same.
02/25/2021	Anne Baptiste	Prepare bank reconciliation.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	4.1	\$ 595	\$ 2,439.50
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Senior Manager	6.8	\$ 425	2,890.00
Echa Odeh	Senior Associate	3.2	\$ 225	720.00
Anne Baptiste / Donna Nishimura	Estate Administrator	1.4	\$ 110	154.00
Total hours and professional fees		15.5		\$ 6,203.50
HST @ 13%				806.46
Total payable				\$ 7,009.96

VISA/MASTERCARD

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

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.



GST/HST: 80784 1440 RT 0001

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

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

www.rsmcanada.com

To RSM Canada Limited
Court-appointed Receiver of
9113 & 9125 Bathurst Street, Richmond Hill, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date May 20, 2021

Client File 7840515/10003

Invoice 5

No. 6350421

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of 9113 & 9125 Bathurst Street, Richmond Hill, ON, (referred to hereafter as the “**Property**”) for the period March 1, 2021 through April 30, 2021.

Date	Professional	Description
3/2/2021	Daniel Weisz	Review email from an investor and reply to same.
3/8/2021	Daniel Weisz	Review email from J. Freeman, review file and respond to J. Freeman.
3/11/2021	Anne Baptiste	Prepare bank reconciliation.
3/12/2021	Daniel Weisz	Review email from investor and draft reply; review email from J. Larry of Paliare Roland Rosenberg Rothstein LLP re enquiry from M. Gayed, review file and respond to J. Larry.
3/12/2021	Jeff Berger	Review email from J. Larry and provide information to D. Weisz re same.
3/17/2021	Daniel Weisz	Review email from an investor and draft reply.
3/17/2021	Echa Odeh	Response email sent to investor.
3/24/2021	Anne Baptiste	Update bank reconciliation.
3/29/2021	Daniel Weisz	Review and update summary of activities; process electronic payment.
3/29/2021	Donna Nishimura	Prepare cheque requisition and process paperwork for payment.
3/30/2021	Anne Baptiste	Post disbursement.
4/5/2021	Echa Odeh	Prepare interim Receiver's report and interim statement of receipts and disbursements (“SRD”); email to J. Berger and D. Weisz regarding outstanding items.
4/8/2021	Daniel Weisz	Process electronic payment.
4/9/2021	Anne Baptiste	Prepare bank reconciliation.
4/16/2021	Daniel Weisz	Email to J. Larry re status of the receivership administration.
4/28/2021	Daniel Weisz	Discussion with J. Larry re status, follow up re status of Canada Revenue Agency (“CRA”) potential position.
4/28/2021	Echa Odeh	Phone call with CRA regarding filing and HST audit; email sent to D. Weisz and J. Berger re same.

May 20, 2021
 Invoice 5
 Page 2

Date	Professional	Description
4/29/2021	Daniel Weisz	Review and update report pursuant to Section 246(2) of the Bankruptcy and Insolvency Act (the "246(2) Report") and the SRD; review draft letter to CRA and update; discussion with E. Odeh on same.
4/29/2021	Echa Odeh	Make amendments to the 246(2) Report and letter to CRA; prepare AUT-01 form.
4/30/2021	Echa Odeh	Finalize letter to CRA, the 246(2) Report and AUT-01 form; send documents.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	2.4	\$ 595	\$ 1,428.00
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Senior Manager	0.3	\$ 425	127.50
Echa Odeh	Senior Associate	2.3	\$ 225	517.50
Anne Baptiste/Donna Nishimura	Estate Administrator	0.8	\$ 110	88.00
Total hours and professional fees		<u>5.8</u>		\$ 2,161.00
HST @ 13%				280.93
Total payable				\$ 2,441.93

VISA/MASTERCARD

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

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.



GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
Licensed Insolvency Trustee
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 F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
 Court-appointed Receiver of
 9113 & 9125 Bathurst Street, Richmond Hill, ON
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date July 20, 2021

Client File 7840515/10003

Invoice 6

No. 6397403

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of 9113 & 9125 Bathurst Street, Richmond Hill, ON, (referred to hereafter as the "**Property**") for the period May 1, 2021 to June 30, 2021.

Date	Professional	Description
5/5/2021	Daniel Weisz	Review draft email response to investor and provide comments to E. Odeh re same.
5/5/2021	Echa Odeh	Draft email response to investor regarding tax documentation requested.
5/6/2021	Anne Baptiste	Prepare bank reconciliation.
5/20/2021	Daniel Weisz	Review summary of activities.
5/20/2021	Donna Nishimura	Prepare cheque requisition and process paperwork for payment.
5/21/2021	Anne Baptiste	Post disbursement.
6/9/2021	Anne Baptiste	Prepare bank reconciliation.
6/22/2021	Daniel Weisz	Conference call with J. Berger and E. Odeh to discuss the status of the receivership administration.
6/22/2021	Echa Odeh	Discussion regarding file closing.
6/24/2021	Jeff Berger	Review draft letter to R. Pu and provide comments on same to E. Odeh; review draft letter to Canada Revenue Agency ("CRA") re proof of claim and provide comments on same to E. Odeh.
6/24/2021	Echa Odeh	Draft letter to CRA regarding proof of claim; phone call with CRA regarding status of HST audit; draft letter to R. Pu regarding CRA access.
6/25/2021	Daniel Weisz	Review and update draft letters to CRA and to R. Pu and send emails regarding same; review updated letters and sign same.
6/25/2021	Echa Odeh	Finalize letters to CRA and R. Pu; email letters to CRA and R. Pu.
6/28/2021	Daniel Weisz	Review closing book received from Cassels Brock & Blackwell LLP.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

July 20, 2021
 Invoice 6
 Page 2

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	2.5	\$ 595	\$ 1,487.50
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Senior Manager	0.7	\$ 425	297.50
Echa Odeh	Senior Associate*	2.0	\$ 250	500.00
Anne Baptiste/Donna Nishimura	Estate Administrator	0.6	\$ 110	66.00
Total hours and professional fees		<u>5.8</u>		\$ 2,351.00
HST @ 13%				305.63
Total payable				\$ 2,656.63

*New rate effective May 1, 2021.

VISA/MASTERCARD

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

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
 RSM Canada Limited



GST/HST: 80784 1440 RT 0001

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To RSM Canada Limited
 Court-appointed Receiver of
 9113 & 9125 Bathurst Street, Richmond Hill, ON
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date August 12, 2021

Client File 7840515/10003

Invoice 7

No. 6414545

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of 9113 & 9125 Bathurst Street, Richmond Hill, ON, (referred to hereafter as the “**Property**”) for the period July 1, 2021 to July 31, 2021.

Date	Professional	Description
7/6/2021	Daniel Weisz	Exchange emails re status of the receivership administration.
7/6/2021	Anne Baptiste	Prepare bank reconciliation.
7/8/2021	Daniel Weisz	Review email from T. Jacobson, review files and email to J. Larry of Paliare Roland Rosenberg Rothstein LLP.
7/9/2021	Daniel Weisz	Review summary of activities.
7/19/2021	Daniel Weisz	Review statement of receipts and disbursements and J. Berger on same; email to J. Larry.
7/19/2021	Jeff Berger	Prepare current interim statement of receipts and disbursements; forward same to D. Weisz for review.
7/20/2021	Daniel Weisz	Process electronic payment.
7/20/2021	Donna Nishimura	Prepare cheque requisition and process paperwork for payment.
7/21/2021	Anne Baptiste	Post disbursement.
7/21/2021	Daniel Weisz	Prepare for and attend conference call with J. Larry and J. Berger re remaining funds in the Receiver's possession.
7/21/2021	Jeff Berger	Call with D. Weisz and J. Larry to discuss status of remaining tasks in the receivership.
7/22/2021	Daniel Weisz	Discussion with J. Larry re review of security of the second mortgagee and J. Berger on same.
7/26/2021	Daniel Weisz	Discussion with J. Larry re his review of priority issues; review and provide comments to J. Larry re draft correspondence to counsel; exchange emails re status of HST account.
7/26/2021	Echa Odeh	Phone call with Canada Revenue Agency (“CRA”) regarding CRA access and RT2.

August 12, 2021

Invoice 7

Page 2

Date	Professional	Description
7/27/2021	Daniel Weisz	Review draft letter to CRA and provide comments.
7/27/2021	Echa Odeh	Draft letter to CRA to open RT2 account; fax letter to CRA.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	2.1	\$ 595	\$ 1,249.50
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Senior Manager	0.9	\$ 425	382.50
Echa Odeh	Senior Associate	0.8	\$ 250	200.00
Anne Baptiste/Donna Nishimura	Estate Administrator	0.4	\$ 110	44.00
Total hours and professional fees			<u>4.2</u>	\$ 1,876.00
HST @ 13%				243.88
Total payable				\$ 2,119.88

VISA/MASTERCARD

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

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.



GST/HST: 80784 1440 RT 0001

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Licensed Insolvency Trustee
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To RSM Canada Limited
Court-appointed Receiver of
9113 & 9125 Bathurst Street, Richmond Hill, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date September 9, 2021

Client File 7840515/10003

Invoice 8

No. 6433549

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of 9113 & 9125 Bathurst Street, Richmond Hill, ON, (referred to hereafter as the "**Property**") for the period August 1, 2021 to August 31, 2021.

Date	Professional	Description
8/5/2021	Anne Baptiste	Prepare bank reconciliation.
8/11/2021	Daniel Weisz	Review summary of activities; discussion with E. Odeh re information requested by the debtor and the status of the opening of an HST account for the receivership administration.
8/11/2021	Echa Odeh	Email debtor regarding Canada Revenue Agency ("CRA") authorization form.
8/12/2021	Daniel Weisz	Review and update letter to Investor Protection Clinic ("IPC"); review and update email to R. Yu re her request.
8/12/2021	Donna Nishimura	Prepare cheque requisition and process paperwork for payment.
8/12/2021	Echa Odeh	Draft response letter to IPC; draft response email to debtor and send to D. Weisz; phone call with CRA regarding Receiver's HST account.
8/16/2021	Daniel Weisz	Review Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") account.
8/16/2021	Echa Odeh	Prepare HST calculations and email to J. Berger re same.
8/17/2021	Echa Odeh	File HST return.
8/18/2021	Anne Baptiste	Post disbursement.
8/20/2021	Daniel Weisz	Discussion with J. Larry of Paliare Roland and J. Berger re the status of information to be provided to the Receiver by the second secured creditor and lien claimant; review email from J. Larry and respond thereto.
8/24/2021	Daniel Weisz	Discussion with E. Odeh re the status of HST.
8/24/2021	Echa Odeh	Review of mail and provide an update to J. Berger and D. Weisz; phone call with CRA regarding RT1 returns; provide further information to D. Weisz regarding remaining ITCs.
8/27/2021	Daniel Weisz	Review email from T. Jacobson re resolution for remaining proceeds.
8/30/2021	Daniel Weisz	Review and exchange emails re discharge hearing date.

September 9, 2021
 Invoice 8
 Page 2

Date	Professional	Description
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	1.3	\$595	\$ 773.50
Echa Odeh	Senior Associate	1.8	\$250	450.00
Anne Baptiste/Donna Nishimura	Estate Administrator	0.4	\$110	44.00
Total hours and professional fees			<u>3.5</u>	\$ 1,267.50
HST @ 13%				164.78
Total payable				\$ 1,432.28

VISA/MASTERCARD

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

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
 RSM Canada Limited

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN REMOTELY
BEFORE ME THIS 27th DAY OF SEPTEMBER, 2021**



A Commissioner, etc.

**Bryan Allan Tannerbaum,
a Commissioner, etc., Province of Ontario, for
RSM Canada LLP and RSM Canada Limited.
Expires February 4, 2024.**

**In the Matter of the Receivership of
9113 & 9125 Bathurst Street, Richmond Hill, Ontario
Summary of Receiver's Fees
For the Period January 1, 2021 to August 31, 2021**

Invoice #	Invoice Date	Period	Hours	Fees	HST	Total	Average Hourly Rate
3	10-Feb-21	January 1 to January 31, 2021	27.7	\$ 14,042.50	\$ 1,825.53	\$ 15,868.03	\$ 506.95
4	29-Mar-21	February 1 to February 28, 2021	15.5	\$ 6,203.50	\$ 806.46	\$ 7,009.96	\$ 400.23
5	20-May-21	March 1 to April 30, 2021	5.8	\$ 2,161.00	\$ 280.93	\$ 2,441.93	\$ 372.59
6	20-Jul-21	May 1 to June 30, 2021	5.8	\$ 2,351.00	\$ 305.63	\$ 2,656.63	\$ 405.34
7	12-Aug-21	July 1 to July 31, 2021	4.2	\$ 1,876.00	\$ 243.88	\$ 2,119.88	\$ 446.67
8	9-Sep-21	August 1 to August 31, 2021	3.5	\$ 1,267.50	\$ 164.78	\$ 1,432.28	\$ 362.14
Total			62.5	\$ 27,901.50	\$ 3,627.20	\$ 31,528.70	\$ 446.42

Court File No. CV-20-00637687-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO. 118 CORP

Respondents

**AFFIDAVIT OF MEGAN BRADT
(Sworn September 27, 2021)**

I, Megan Bradt, of the Town of Halton Hills, in the Regional Municipality of Halton, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an assistant at the law firm of Paliare Roland Rosenberg Rothstein LLP (“Paliare Roland”). I have personal knowledge of the matters to which I hereinafter refer.
2. Pursuant to the order of the Honourable Justice Gilmore dated September 8, 2020 (the “**Appointment Order**”), RSM Canada Limited was appointed as the receiver (the “**Receiver**”) without security, of the real property municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario.
3. Pursuant to the Appointment Order, Paliare Roland has provided services to and incurred disbursements on behalf of the Receiver. The detailed invoices attached hereto and marked as **Exhibit “A”** (the “Dockets”) set out Paliare Roland’s fees and disbursements from

January 31, 2021 to September 26, 2021. The Dockets describe the services provided and the amounts charged by Paliare Roland.

4. The following is a summary of the professionals whose services are reflected in the Dockets, including hourly rates, fees billed, hours billed and the average hourly rate charged by Paliare Roland. The hourly rates charged are the usual hourly rates charged by Paliare Roland for the listed professionals.

Professional	Hourly Rate	Hours Billed	Fees Billed
Jeff Larry, Partner, 2001 Call	\$775/hr	12.30	\$9,532.50
Elizabeth Rathbone, Associate, 2016 Call	\$475/hr	19.00	\$9,500.00
Dan Rosenbluth, Associate, 2016 Call	\$500/hr	1.20	\$600.00
Deanna Watters, Law Clerk	\$220/hr	1.30	\$286.00
Subtotal		21.50	\$19,918.50

5. Inclusive of HST and disbursements, the total amount of the Dockets are **\$23,188.47**.
6. We estimate total fees of \$1,000 (exclusive of HST) to complete the administration of this matter.

SWORN remotely by as a result of)
 COVID 19 by Megan Bradt at the Town)
 of Halton Hills, in the Regional)
 Municipality of Halton before me at the)
 City of Toronto, in the Province of)
 Ontario, on this 27th day of September,)
 2021 in accordance with O. Reg.)
 431/20, Administering Oath or)
 Declaration Remotely)

Megan Bradt

Jeff Larry

A Commissioner for taking Affidavits

This is Exhibit "A" referred to in the Affidavit of Megan Bradt sworn by Megan Bradt of the Town of Halton Hills, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on September 27, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

JEFFREY LARRY



35th Floor
 155 Wellington St. West
 Toronto, Ontario M5V 3H1
 Canada

416.646.4300
 paliareroland.com

Private and Confidential
 RSM Canada Limited
 11 King Street West, Suite 700
 Box 27
 Toronto, Ontario M5H 4C7

January 31, 2021
 Invoice No.: 101929
 Our File No.: 6595-97278

Attention: Daniel Weisz

RE: Highyon Development No. 118 LP, Highyon GP No. 118 Corp., Roger Bing Pu and George Naim Jada

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending January 31, 2021:

Total Fees	\$ 15,700.00
Non Taxable Disbursements	335.50
Total Disbursements subject to HST	305.36
Total HST	<u>2,080.70</u>
INVOICE TOTAL	<u><u>\$ 18,421.56</u></u>

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per:

A handwritten signature in blue ink, appearing to read "Jeffrey Larry", positioned above a horizontal line.

Jeffrey Larry



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

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Toronto, Ontario M5H 4C7

January 31, 2021
Invoice No.: 101929
Our File No.: 6595-97278

Attention: Daniel Weisz

RE: Highyon Development No. 118 LP, Highyon GP No. 118 Corp., Roger Bing Pu and George Naim Jada

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending January 31, 2021:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
01/01/21	JL	Finalize opinion;	775.00	0.80	620.00
04/01/21	JL	Final revisions to report;	775.00	0.40	310.00
04/01/21	ER	Review matter; prepare motion materials; e-mails with J Larry re same;	500.00	1.70	850.00
05/01/21	ER	Draft notice of motion, orders; e-mails with J Larry re same; e-mails with J Freeman re same;	500.00	4.50	2,250.00
06/01/21	JL	Revisions to order and materials;	775.00	0.60	465.00
06/01/21	ER	Draft, review, and revise notice of motion, orders; review and finalize motion materials; calls and confers with J Larry, D Weisz;	500.00	4.80	2,400.00
07/01/21	ER	Call with M Jackson re filing issue; review correspondence re lien issue; e-mail to T Jacobson re same;	500.00	0.70	350.00
08/01/21	JL	Call with Goodman re: lien claims; preparing for approval motion;	775.00	0.60	465.00

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
08/01/21	ER	Review correspondence re lien issue;	500.00	0.30	150.00
11/01/21	JL	Prepare for hearing; drafting NDA; call with D. Weisz;	775.00	1.10	852.50
11/01/21	ER	Review correspondence; call with J Larry re CRA issue; draft factum;	500.00	0.70	350.00
12/01/21	JL	Review and finalize factum for hearing; issues re final order; correspondence; calls; call with counsel for limited partners;	775.00	1.40	1,085.00
12/01/21	ER	Review, revise, and finalize factum; coordinate service re same;	500.00	1.80	900.00
13/01/21	JL	Prepare for and attend on sale approval motion; discussion with limited partners;	775.00	1.70	1,317.50
13/01/21	ER	Prepare for and attend hearing re sale approval; calls and confers with M Jackson re same; prepare counsel slip; e-mails with creditors;	500.00	1.80	900.00
15/01/21	JL	Various correspondence with counsel;	775.00	0.40	310.00
15/01/21	ER	Conduct research re CRA deemed trust priority; e-mail to J Larry re same;	500.00	2.70	1,350.00
25/01/21	JL	Review and respond to email from W. Li; correspondence with D. Weisz;	775.00	0.40	310.00
26/01/21	JL	Call with D. Weisz; respond to email from Justice Gilmore;	775.00	0.30	232.50
29/01/21	JL	Various email correspondence re: closing;	775.00	0.30	232.50

Invoice No.: 101929
 Our File No.: 6595-97278
 Page No.: 3

TIME SUMMARY

MEMBER	HOURS	RATE	VALUE
Rathbone, Elizabeth (ER)	19.00	500.00	9,500.00
Larry, Jeffrey (JL)	8.00	775.00	6,200.00
	<u>27.00</u>		

OUR FEES	\$ 15,700.00
HST at 13%	2,041.00

Non Taxable Disbursements:

08/01/21	Filing Fee Re: Superior Court of Justice in Toronto - Notice of Motion and Affidavit of Service Voucher No. 27166 for Invoice No. 20373972-MAG issued by: (130)CIBC	320.00	
	Process Server Fees/Disbursements - Non-taxable	4.50	
	Search Disbursement - Non-taxable	<u>11.00</u>	
Total Non Taxable Disbursements:			335.50

Taxable Disbursements:

13/01/21	Process Server Fees/Disbursements Re: Motion Record Voucher No. 27189 for Invoice No. 156818 issued by: (581)Nixon Legal Services Inc.	110.00	
	Courier Expense	166.36	
	Laser Copies	0.50	
	Photocopies	0.50	
	Search Disbursement	<u>28.00</u>	
Total Taxable Disbursements			305.36
HST at 13%			<u>39.70</u>

INVOICE TOTAL**\$ 18,421.56**



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 Toronto, Ontario M5V 3H1
 Canada

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 paliareroland.com

Private and Confidential
 RSM Canada Limited
 11 King Street West, Suite 700
 Box 27
 Toronto, Ontario M5H 4C7

January 31, 2021
 Invoice No.: 101929
 Our File No.: 6595-97278

Attention: Daniel Weisz

RE: Highyon Development No. 118 LP, Highyon GP No. 118 Corp., Roger Bing Pu and George Naim Jada

**REMITTANCE COPY
 PLEASE REMIT WITH PAYMENT**

Total Fees	\$ 15,700.00
Non Taxable Disbursements	335.50
Total Disbursements subject to HST	305.36
Total HST	<u>2,080.70</u>
INVOICE TOTAL	<u><u>\$ 18,421.56</u></u>



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 Canada

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 Toronto, Ontario M5H 4C7

July 31, 2021
 Invoice No.: 105720
 Our File No.: 6595-97278

Attention: Daniel Weisz

RE: Highyon Development No. 118 LP, Highyon GP No. 118 Corp., Roger Bing Pu and George Naim Jada

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending July 31, 2021:

Total Fees	\$ 2,015.00
Total HST	261.95
	<hr/>
INVOICE TOTAL	<u><u>\$ 2,276.95</u></u>

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per:

A handwritten signature in blue ink, appearing to read "Jeffrey Larry".

Jeffrey Larry



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

416.646.4300
paliareroland.com

Private and Confidential
RSM Canada Limited
11 King Street West, Suite 700
Box 27
Toronto, Ontario M5H 4C7

July 31, 2021
Invoice No.: 105720
Our File No.: 6595-97278

Attention: Daniel Weisz

RE: Highyon Development No. 118 LP, Highyon GP No. 118 Corp., Roger Bing Pu and George Naim Jada

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending July 31, 2021:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
23/02/21	JL	Call with D. Weisz; email correspondence;	775.00	0.40	310.00
24/02/21	JL	Call with D. Weisz; email to counsel;	775.00	0.40	310.00
21/07/21	JL	Call with D. Weisz and J. Berger; review materials;	775.00	0.40	310.00
26/07/21	JL	Call with D. Weisz; review materials from second mortgagee and lien claimant; draft email to counsel;	775.00	1.40	1,085.00

TIME SUMMARY

MEMBER	HOURS	RATE	VALUE
Larry, Jeffrey (JL)	2.60	775.00	2,015.00
	<u>2.60</u>		

OUR FEES \$ 2,015.00
HST at 13% 261.95

INVOICE TOTAL \$ 2,276.95



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July 31, 2021
Invoice No.: 105720
Our File No.: 6595-97278

Attention: Daniel Weisz

RE: Highyon Development No. 118 LP, Highyon GP No. 118 Corp., Roger Bing Pu and George Naim Jada

**REMITTANCE COPY
PLEASE REMIT WITH PAYMENT**

Total Fees	\$ 2,015.00
Total HST	<u>261.95</u>
INVOICE TOTAL	<u><u>\$ 2,276.95</u></u>



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 155 Wellington St. West
 Toronto, Ontario M5V 3H1
 Canada

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Private and Confidential
 RSM Canada Limited
 11 King Street West, Suite 700
 Box 27
 Toronto, Ontario M5H 4C7

September 27, 2021
 Invoice No.: 106409
 Our File No.: 6595-97278

Attention: Daniel Weisz

RE: Highyon Development No. 118 LP, Highyon GP No. 118 Corp., Roger Bing Pu and George Naim Jada

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending September 26, 2021:

Total Fees	\$ 2,203.50
Total HST	<u>286.46</u>
INVOICE TOTAL	<u><u>\$ 2,489.96</u></u>

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per:

A handwritten signature in blue ink, appearing to read "Jeffrey Larry".

Jeffrey Larry



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11 King Street West, Suite 700
Box 27
Toronto, Ontario M5H 4C7

September 27, 2021
Invoice No.: 106409
Our File No.: 6595-97278

Attention: Daniel Weisz

RE: Highyon Development No. 118 LP, Highyon GP No. 118 Corp., Roger Bing Pu and George Naim Jada

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending September 26, 2021:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
11/08/21	JL	Consider issues re: next steps and priority issues;	775.00	0.30	232.50
30/08/21	JL	Correspondence re: finalizing distribution issues;	775.00	0.20	155.00
24/09/21	DW	Instructions from J. Larry; conduct searches re: Highyon Development No. 118 LP: PPSA, Bank Act s. 427, Bankruptcy (Superior Court Toronto and federal), execution search; email to ESC Corporate Services regarding title searches; receipt and review of all searches and provide status of search results to J. Larry;	220.00	1.30	286.00
25/09/21	JL	Review and revise report; drafting opinion; correspondence re finalizing motion record;	775.00	0.80	620.00
26/09/21	JL	Revise materials;	775.00	0.40	310.00
26/09/21	DR	Preparing motion materials re distribution and	500.00	1.20	600.00

Invoice No.: 106409
 Our File No.: 6595-97278
 Page No.: 2

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
		discharge;			

TIME SUMMARY

MEMBER	HOURS	RATE	VALUE
Rosenbluth, Daniel (DR)	1.20	500.00	600.00
Watters, Deanna (DW)	1.30	220.00	286.00
Larry, Jeffrey (JL)	1.70	775.00	1,317.50
	<u>4.20</u>		

OUR FEES	\$ 2,203.50
HST at 13%	286.46

INVOICE TOTAL	<u><u>\$ 2,489.96</u></u>
----------------------	----------------------------------



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September 27, 2021
Invoice No.: 106409
Our File No.: 6595-97278

Attention: Daniel Weisz

RE: Highyon Development No. 118 LP, Highyon GP No. 118 Corp., Roger Bing Pu and George Naim Jada

**REMITTANCE COPY
PLEASE REMIT WITH PAYMENT**

Total Fees	\$ 2,203.50
Total HST	<u>286.46</u>
INVOICE TOTAL	<u><u>\$ 2,489.96</u></u>

VECTOR FINANCIAL SERVICES LIMITED

-and-

HIGHYON DEVELOPMENT NO. 118 LP and
HIGHYON GP NO. 118 CORP

Applicant

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF MEGAN BRADT

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West
35th Floor

Toronto, ON M5V 3H1

Tel: 416.646.4300

Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)

Tel: 416.646.4330

jeff.larry@paliareroland.com

Elizabeth Rathbone (LSO# 70331U)

Tel: 416.646.7488

elizabeth.rathbone@paliareroland.com

Lawyers for the Receiver

Court File No: CV-20-0063787-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

HIGHYON DEVELOPMENT NO. 118 LP and HIGHYON GP NO. 118 CORP.

Respondent

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

**AFFIDAVIT OF JONATHAN FREEMAN
(Sworn September 27, 2021)**

I, Jonathan Freeman, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am a partner at the law firm of Cassels Brock & Blackwell LLP ("Cassels"). I have personal knowledge of the matters to which I hereinafter refer.
2. Pursuant to the order of the Honourable Justice Gilmore dated September 8, 2020 (the "**Appointment Order**"), RSM Canada Limited was appointed as the receiver (the "**Receiver**") without security, of the real property municipally known as 9113 & 9125 Bathurst Street, Richmond Hill, Ontario.
3. Pursuant to the Appointment Order, Cassels has provided services to and incurred disbursements on behalf of the Receiver. The detailed invoice attached hereto and marked as **Exhibit "A"** (the "Dockets") set out Cassels' fees and

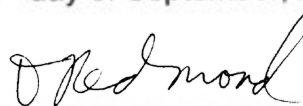
disbursements from January 1, 2021 to February 2, 2021. The Dockets describe the services provided and the amounts charged by Cassels.

4. The following is a summary of the professionals whose services are reflected in the Dockets, including hourly rates, fees billed, hours billed and the average hourly rate charged by Cassels. The hourly rates charged are the usual hourly rates charged by Cassels for the listed professionals.

Professional	Hourly Rate	Hours Billed	Fees Billed
Jonathan Freeman, Partner	\$765.00/hr	19.9	\$15,223.50
Wendy Kirkton, Clerk	\$375.00/hr	12.6	\$4,725.00
Subtotal		32.5	\$19,948.50

5. Inclusive of HST and disbursements, the total amount of the Dockets are **\$22,894.04**.

SWORN BEFORE ME, at the City of)
Toronto, in the Province of Ontario this)
27th day of September, 2021.)
)
)
)



A Commissioner, etc.



Jonathan Freeman

VECTOR FINANCIAL SERVICES LIMITED

-and-

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

AFFIDAVIT OF JONATHAN FREEMAN

CASSELS BROCK & BLACKWELL LLP
40 King Street West
Suite 2100
Toronto, ON M5H 3C2
Tel: 416.869.5300
Fax: 416.360.8877
Jonathan Freeman (LSO# 51289L)
Tel: 416.860.2927
jfreeman@cassels.com

Lawyers for the Receiver

Cassels

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

Invoice No: 2130363
Date: February 09, 2021
Matter No.: 054215-00002
GST/HST No.: R121379572

Lawyer: Freeman, Jonathan
Tel.: (416) 860-2927
E-mail: jfreeman@cassels.com

Re: Receiver Sale of 9113 Bathurst and 9125 Bathurst in Richmond Hill, Ontario

Fees for professional services rendered up to and including February 09, 2021

Our Fees	20,048.00
Disbursements	233.82
Total Fees and Disbursements	20,281.82
HST @ 13.00%	2,612.22
TOTAL DUE (CAD)	22,894.04

We are committed to protecting the environment. Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE:

Email payment details to payments@cassels.com

CAD EFT and Wire Payments:

Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 47696 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

Online Bill Payments:

Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter no.

Invoice No: 2130363
Matter No.: 054215-00002

Amount: **CAD 22,894.04**

e-Transfer: payments@cassels.com

FEE DETAIL			
Date	Name	Description	Hours
Jan-04-21	J. Freeman	Review and respond to e-mail correspondence;	0.20
Jan-05-21	J. Freeman	Review and respond to e-mail correspondence; draft affidavit re: fees; call with D. Weisz; attend to court matters;	0.70
Jan-09-21	J. Freeman	Review and respond to e-mail correspondence re: purchaser identity;	0.20
Jan-13-21	J. Freeman	Review and respond to e-mail correspondence re: vesting order; review purchase agreement; preparation for closing;	1.30
Jan-14-21	W. Kirkton	Receive and review Vesting Order;	0.30
Jan-15-21	J. Freeman	Review and respond to e-mail correspondence; review purchase agreement; attend to matters re: closing date; attend to document preparation;	1.10
Jan-18-21	W. Kirkton	Review correspondence regarding closing date;	0.10
Jan-19-21	W. Kirkton	Review agreement of purchase and sale; review vesting order; draft closing documents; correspondence with Laith Hahn regarding tax certificate;	2.80
Jan-19-21	J. Freeman	Review and respond to e-mail correspondence; call with W. Kirkton; review and comment on draft closing documents;	0.70
Jan-21-21	J. Freeman	Review and respond to e-mail correspondence; attend to closing matters; draft closing documents;	2.10
Jan-22-21	W. Kirkton	Order tax certificate; review comments on draft documents; revise documents; send draft documents to purchaser's counsel; correspondence with Laith Hahn regarding change in solicitor; revise draft documents; correspondence with the City of Richmond Hill; correspondence to and from Simon Kert;	1.00
Jan-22-21	J. Freeman	Review and respond to e-mail correspondence; review and comment on draft closing documents; attend to search and closing matters;	3.80
Jan-25-21	J. Freeman	Review and respond to e-mail correspondence; review and amend closing documents; review and comment statement of adjustments and statement of funds; review and comment on closing documents; attend to closing matters;	2.30
Jan-25-21	W. Kirkton	Correspondence to and from Simon Kert; telephone call with City of Richmond Hill regarding taxes; received verbal on realty taxes; finalize statement of adjustments; forward documents to Daniel Weisz for execution; draft post-closing letter; receive and review executed documents; finalize statement of funds; discussion with Jeff Berger;	2.80
Jan-26-21	J. Freeman	Review and respond to e-mail correspondence; attend to closing matters and correspond re: closing date; review and comment on amended closing documents; call with RSM;	1.20
Jan-26-21	W. Kirkton	Send further documents to Daniel Weisz for execution; correspondence with Reilly Hayhurst regarding commission statement; review correspondence regarding one day extension; prepare accounting forms;	1.50

Date	Name	Description	Hours
Jan-27-21	W. Kirkton	Telephone call with Simon Kert; receive and review executed purchaser documents; telephone call with Laith Hahn; send executed documents to Simon Kert;	0.80
Jan-27-21	J. Freeman	Review and respond to e-mail correspondence; attend to funding matters; review amendment to assignment of permitted encumbrances; attend to closing matters;	2.10
Jan-28-21	W. Kirkton	Attend to various closing matters; prepare and send amended adjustments; discussion regarding further extension of closing date; discussion regarding payment of outstanding taxes;	2.20
Jan-28-21	J. Freeman	Review and respond to e-mail correspondence; attend to closing matters; calls with RSM; internal calls;	2.40
Jan-29-21	J. Freeman	Review and respond to e-mail correspondence; calls with RSM and purchaser's counsel and lender's counsel; attend to closing matters;	1.80
Jan-29-21	W. Kirkton	Attend to closing matters; attend to post-closing matters; finalize Statement of Funds and send to Daniel Weisz;	1.00
Feb-02-21	W. Kirkton	Correspondence with City of Richmond Hill;	0.10
Our Fees			20,048.00
HST @ 13.00%			2,606.24
TOTAL FEES & TAXES (CAD)			22,654.24

DISBURSEMENT SUMMARY

Non-Taxable Disbursements

Parcel Register	9.80
Tax Certificate	178.00
Total Non-Taxable Disbursements	187.80

Taxable Disbursements

Parcel Register	29.95
Delivery	16.07
Total Taxable Disbursements	46.02
HST @ 13.00%	5.98
Total Taxable Disbursements & Taxes	52.00

TOTAL DISBURSEMENTS & TAXES (CAD) 239.80

Cassels Brock & Blackwell LLP
RSM Canada Limited
Re: Receiver Sale of 9113 Bathurst and 9125 Bathurst in
Richmond Hill, Ontario

Page 4 of 172
Invoice No: 2130363
Matter No. 054215-00002

TOTAL FEES	20,048.00
TOTAL DISBURSEMENTS	233.82
TOTAL TAXES	2,612.22
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	22,894.04

VECTOR FINANCIAL SERVICES LIMITED

Applicant

-and-

Court File No.: CV-20-00637687-00CL

HIGHYON DEVELOPMENT NO. 118 LP and
HIGHYON GP NO. 118 CORP

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West

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Daniel Rosenbluth (LSO# 71044U)

Tel: 416.646.6307

daniel.rosenbluth@paliareroland.com

Lawyers for the Receiver