

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

BETWEEN:

MARSHALLZEHR GROUP INC.

Applicant

-and-

FERNWOOD DEVELOPMENTS (ONTARIO) CORPORATION

Respondent

FIRST REPORT OF THE RECEIVER

JUNE 30, 2020

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INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated February 12, 2020 (the “**Appointment Order**”), RSM Canada Limited (“**RSM**”) was appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Fernwood Developments (Ontario) Corporation (“**Fernwood**” or the “**Debtor**”) acquired for, or used in relation to a business carried on by Fernwood, including all proceeds thereof (the “**Property**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. The Appointment Order authorizes the Receiver to, among other things:
 - (a) take possession and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of, or from, the Property;
 - (b) manage, operate, and carry on the business of Fernwood, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of Fernwood;
 - (c) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver’s powers and duties, including without limitation those conferred by the Appointment Order; and

- (d) receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor.
3. The Appointment Order empowers the Receiver to borrow by way of 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 \$2.5 million (or such greater amount as the Court may order), for the purpose of funding the administration of the receivership and the exercise of the Receiver's powers and duties.
4. The Appointment Order, together with Court documents related to the receivership proceeding, has been posted on the Receiver's website, which can be found at <http://www.rsmcanada.com/fernwood-developments-ontario-corporation>.
5. In accordance with paragraph 25 of the Appointment Order, the Receiver has retained Chaitons LLP ("**Chaitons**") as its legal counsel for this receivership proceeding, except in circumstances where independent legal advice is required by the Receiver. The Receiver's independent legal counsel is Paliare Roland Rothstein Rosenberg LLP ("**Paliare Roland**").

PURPOSE OF THE FIRST REPORT

6. The purpose of this first report of the Receiver (the "**First Report**") is to:

- (a) report to the Court on the activities of the Receiver from February 12, 2020 (the “**Appointment Date**”) to the date hereof, which include, among other things:
- (i) communications with and request for information from Mr. Jordan Zukowski (“**Mr. Zukowski**”), the President and sole Director of Fernwood, and his legal counsel and with respect to certain information regarding a bank account opened by Fernwood with the Toronto-Dominion Bank (“**TD Bank**”), among other things;
 - (ii) the Receiver’s dealings with Fernwood’s property manager, Pensio Property Management Group Inc. and/or Pensio Global (“**Pensio**”), including Pensio’s retention of rent deposits paid by tenants of the Fernwood owned units in the Development (as defined below);
 - (iii) the Receiver’s request for information and documentation from Fernwood’s real estate counsel, Smith Valeriotte LLP (“**SV Law**”);
 - (iv) discussions the Receiver and/or Chaitons has had with Simcoe Standard Condominium Corporation # 240 (the “**Condo. Corp.**”), Condo. Corp.’s property manager, Bayshore Property Management Inc. (“**Bayshore**”), and the Condo. Corp.’s counsel regarding the payment of common area fee arrears and condominium liens registered by the Condo. Corp. against 25 units owned by Fernwood in the Development;

- (b) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period from February 12, 2020 to June 15, 2020 (the "R&D"); and
- (c) request the Court grant an Order or Orders:
 - (i) approving the Receiver's activities as set out in the First Report;
 - (ii) directing Pensio to pay to the Receiver \$30,258.06, which represents all rent deposits retained by Pensio in respect of the Fernwood owned units less the March 2020 property management fee payable to Pensio by the Receiver;
 - (iii) authorizing the Receiver to pay \$76,807 to the Condo Corp in connection with the condominium liens and outstanding common expenses owed since the Appointment Date;
 - (iv) approving the Receiver's proposed Sale Process (as defined below);
 - (v) approving the R&D; and
 - (vi) approving the fees and disbursements of the Receiver and Paliare Roland to May 31, 2020.

TERMS OF REFERENCE

7. 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 the 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 Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

8. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

BACKGROUND

9. Fernwood is a corporation incorporated under the laws of the Province of Ontario and has its mailing address in Guelph, Ontario. A corporate profile report for Fernwood is attached hereto as **Appendix “B”**.
10. Fernwood is the developer of a 94-unit stacked townhouse phased condominium complex known as Schoolhouse Barrie (formerly known as Georgian Meadows), located in Barrie, Ontario (the “**Development**”). Each of the three phases of the Development consists of two buildings, for a total of six buildings. Phases 1 and 2 are complete and Fernwood has sold all but 26 residential units in these two phases of the Development (collectively, the “**Fernwood Owned Units**”).

11. Phase 3, which consists of 32 residential units, is incomplete and in various stages of construction. The residential units in Phase 3 have yet to be sold by Fernwood and are not subject to agreements of purchase and sale.
12. MarshallZehr Group Inc. (“**MZG**”) provided Fernwood with a loan of \$19.95 million (the “**Loan**”) pursuant to a commitment letter dated September 20, 2016, as amended. The loan was repayable on demand and matured on September 1, 2019.
13. MZG’s security over Fernwood’s property and assets include a charge/mortgage in the principal amount of \$22 million and a general assignment of leases and rent, both of which are registered on title to the Fernwood Owned Units and Phase 3 of the Development, and a general security agreement.
14. On January 21, 2020, MZG demanded repayment of the Loan from the Debtor and sent a Notice of Intention to Enforce Security pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada).
15. Fernwood did not repay the Loan. MZG brought an application with the Court for the appointment of a receiver. On February 12, 2020, the Court issued the Appointment Order in which RSM was appointed as Receiver. Fernwood did not oppose the appointment of the Receiver.

RECEIVER’S ACTIVITIES TO DATE

16. Set out below is a summary of the Receiver’s activities since its appointment, certain of which are discussed in greater detail later in the First Report:

- (a) immediately after its appointment, the Receiver contacted Mr. Zukowski to request a meeting. Mr. Zukowski advised that he was not able to meet with the Receiver until the following week;
- (b) attended at Fernwood's offices in Barrie, Ontario on February 20, 2020 and met with Mr. Zukowski (the "**Initial Meeting**") to discuss the receivership proceeding and to ascertain the location of Fernwood's books and records. Mr. Zukowski provided the Receiver with certain information, including details regarding Fernwood's bank accounts with Bank of Montreal ("**BMO**"). Mr. Zukowski advised the Receiver that the majority of Fernwood's books and records were with Royal City Bookkeeping Services Inc. ("**RCBS**");
- (c) wrote to BMO to request that all bank accounts in the name of Fernwood be frozen and to allow deposits, but no withdrawals from those accounts;
- (d) contacted RCBS to obtain additional information in respect of Fernwood, including the names, addresses and amounts owing to Fernwood's creditors, an aged accounts receivable listing and a balance sheet;
- (e) sent a Notice and Statement of Receiver pursuant to Section 245(1) of the Bankruptcy and Insolvency Act (the "**245 Notice**") to the known creditors of Fernwood via regular mail. The known creditors were compiled from a Personal Property Security Registration System search conducted by the Receiver and from a list of creditors provided by RCBS. A copy of the 245 Notice is attached hereto as **Appendix "C"**;

- (f) arranged for the redirection of mail from two addresses provided by Mr. Zukowski to the Receiver's business address. The mail redirection commenced on February 27, 2020;
- (g) opened an HST account with Canada Revenue Agency;
- (h) opened a trust account at BMO for the receipts and disbursements relating to the receivership administration;
- (i) contacted Pensio, Fernwood's property manager prior to the appointment of the Receiver, in order to ascertain Pensio's role and to request that Pensio assist the Receiver with collection of rents for the Fernwood Owned Units for the month of March 2020;
- (j) terminated Pensio's engagement as property manager and entered into a property management agreement with Subhkin Management Inc. ("**Subhkin**"), an independent property manager, to manage the Fernwood Owned Units and Phase 3 of the Development;
- (k) contacted the City of Barrie, Alectra Utilities and Rogers to open new accounts in the name of the Receiver in order that service to the Development was not interrupted; and
- (l) obtained a copy of Fernwood's insurance documents to review the current insurance coverage for the Development. The Receiver contacted Fernwood's insurer, Federated Insurance, and has been added as an

additional named insured and loss payee on Fernwood's insurance policies.

The current policy term expires on January 15, 2021.

BANK ACCOUNT AT TORONTO DOMINION BANK ("TD Bank")

17. On February 26, 2020, RCBS confirmed that Fernwood had two bank accounts with BMO and one account at TD Bank, bearing account # 5254264 (the "**TD Bank Account**"). RCBS further advised that it did not have any details for the TD Bank Account and that it would request bank statements from the TD Bank.
18. The existence of the TD Bank Account was not previously disclosed to the Receiver by Mr. Zukowski.
19. On February 26, 2020, the Receiver wrote to TD Bank to request that TD Bank freeze the TD Bank Account and any other accounts with TD Bank in the name of Fernwood. On February 27, 2020, TD Bank confirmed that the TD Bank Account was frozen. The TD Bank Account is discussed in more detail below.
20. On February 28, 2020, TD Bank provided the Receiver with a printout setting out the transactions relating to the TD Bank Account (the "**TD Statement**"), which account was opened on October 28, 2019. As at January 21, 2020, the TD Bank Account had an overdraft balance of \$22.01.
21. The Receiver reviewed the TD Statement and notes that:
 - (a) on October 28, 2019, there was a deposit of \$531,363.09 (the "**Deposit**") to the TD Bank Account; and

- (b) on October 31, 2019 and November 5, 2019, amounts of \$250,000 and \$225,000, respectively, were transferred (the “**Transfers**”) from the TD Bank Account to bank account bearing account number 6464509 (the “**646 Account**”), which account is also with TD Bank.
22. On March 2, 2020, the Receiver wrote to RCBS requesting information on how the Deposit and Transfers were recorded in Fernwood’s general ledger. RCBS advised the Receiver that the accounting for these transactions had not yet been completed.
23. On March 3, 2020, the Receiver wrote to RCBS to request further information from the books and records of Fernwood and to follow up on the TD Bank Account transactions. RCBS responded that it had not had the opportunity to gather the information and that the information would be provided to the Receiver shortly.
24. On March 4, 2020, RCBS informed the Receiver that RCBS was unwilling to provide the Receiver with any further information until its outstanding accounts with Fernwood were paid.
25. On March 6, 2020, the Receiver wrote to RCBS to advise that RCBS’ position in respect of non-provision of the information requested by the Receiver pending payment of its unpaid account was in breach of the Appointment Order and that the Receiver would seek an order for contempt and costs, if RCBS continued to withhold information in respect of Fernwood.

26. On March 9, 2020, RCBS responded to the Receiver that RCBS would review the Receiver's correspondence and get back to the Receiver.
27. After an exchange of correspondence between counsel for RCBS and the Receiver, on March 13, 2020, RCBS, through its counsel, agreed to provide the requested information by April 10, 2020.
28. On March 16, 2020, the Receiver wrote to Mr. Zukowski requesting further details of Fernwood's assets (the "**March 16th Letter**"), including the TD Bank Account. On March 18, 2020, Duncan, Linton LLP, counsel to Mr. Zukowski ("**Duncan, Linton**") wrote to the Receiver (the "**March 18th Letter**") to advise that, among other things, Mr. Zukowski was compiling a package of information relating to the TD Bank Account. Copies of the March 16th Letter and the March 18th Letter are attached hereto as **Appendices "D" and "E"**, respectively.
29. As both RCBS and Mr. Zukowski advised the Receiver that they required additional time to provide the Receiver with the information requested by the Receiver, including information on the TD Bank Account, the Receiver wrote to TD Bank on March 18, 2020 to request transaction details in respect of the Deposit and Transfers.
30. On March 19, 2020, TD Bank provided the Receiver with details on the Deposit and Transfers, as follows:
 - (a) TD Bank provided a copy of a cheque in the amount of \$531,363.09 from Tarion Warranty Corporation ("**Tarion**") payable to Fernwood (the "**Tarion**")

Cheque”), which cheque represents the Deposit. A copy of the Tarion Cheque is attached hereto as Appendix “F”; and

(b) the 646 Account to which the Transfers were made is a joint personal account in the names of Mr. Zukowski and Rudi Zukowski, who the Receiver understands is Mr. Zukowski’s father.

31. The Receiver communicated with Tarion regarding the Tarion Cheque and was advised by Tarion that the Tarion Cheque represented a release of a portion of Tarion’s security over the Development, which security was previously provided to Tarion by Fernwood.
32. On March 23, 2020, Paliare Roland wrote to Duncan, Linton (the “**March 23rd Letter**”) to follow up on various outstanding information, including information about the TD Bank Account. A copy of the March 23rd Letter is attached hereto as **Appendix “G”**.
33. On March 26, 2020, the Receiver contacted TD Bank to see if TD Bank could provide the Receiver with details regarding the 646 Account. On March 27, 2020, TD Bank informed the Receiver that it could not provide details of the 646 Account without an order of the Court directing it to do so.
34. On March 27, 2020, Duncan, Linton wrote to Paliare Roland (the “**March 27th Letter**”) to advise, among other things, that all information in Mr. Zukowski’s possession concerning the TD Bank Account would be sent to the Receiver the

following week. A copy of the March 27th Letter is attached hereto as **Appendix “H”**.

35. On March 30, 2020, Paliare Roland wrote to Duncan, Linton to request that a response to the Receiver’s information request in respect of the TD Bank Account be provided by noon on April 1, 2020, as the Receiver had initially requested the information from Mr. Zukowski on March 16, 2020.
36. On April 1, 2020, Duncan, Linton provided Paliare Roland with a reconciliation (the **“Reconciliation”**) of the TD Bank Account, which is summarized below:

Receipts

Tarion deposit	<u>\$531,363.09</u>
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Disbursements

Utilities, insurance, accounting, bookkeeping and other Development Expenses	\$109,258.21
Corporate Mastercard	41,969.24
Smith Valeriotte LLP (SV Law)	7,507.50
Duncan Linton LLP (Zukowski Counsel)	21,853.10
Schneider Ruggiero LLP	21,961.98
Employee wages and expenses	41,836.31
Expenses - Jordan Zukowski	63,926.06
Management fees - Jordan Zukowski	230,000.00
Management fees - Rudi Zukowski	158,200.00
Bank charges	<u>44.01</u>
Total expenses per reconciliation	<u>\$696,556.41</u>
Owed to Jordan Zukowski	<u>(\$165,193.32)</u>

37. On April 6, 2020, Paliare Roland wrote to Duncan, Linton (the **“April 6th Letter”**) to ask whether the management fees claimed by Mr. Zukowski and his father were accrued in Fernwood’s financial statements and to request receipts for the expenses claimed by Mr. Zukowski. On April 23, 2020 (the **“April 23rd Response**

Letter”), Duncan, Linton responded that the management fees were not accrued in Fernwood’s financial statements, but they were budgeted for. Duncan, Linton advised that receipts for Mr. Zukowski’s expenses would be provided once received from RCBS. To date, no expense receipts have been provided to the Receiver. Copies of the April 6th Letter and April 23rd Response Letter are attached hereto as Appendices “I” and “J”, respectively.

38. The Reconciliation does not reflect all the entries that concludes with the TD Bank Account overdraft balance of \$22.01 set out on the TD Statement, as the Reconciliation appears to reflect only certain of the transactions set out in the TD Statement.
39. The TD Statement sets out that on various dates, business expenses and bank charges totaling \$202,601.54 were paid from the TD Bank Account. The Receiver also notes that funds were transferred back to the TD Bank Account from the 646 Account in order to pay certain expenses. Based on the Receiver’s review, it appears that a net amount of \$328,761.55 was transferred to the 646 Account in favour of Mr. Zukowski and his father, Rudi.

PENSIO

40. As set out above, on the date of the Receiver’s appointment, Pensio was the property manager of the Development.
41. On February 18, 2020, Chaitons contacted Pensio’s counsel, Friedman Law Professional Corporation (“**Friedmans**”), to request from Pensio a breakdown and reconciliation detailing all rent that has been paid for each of the regarding the

Fernwood Owned Units to date. In addition, Chaitons advised Friedmans that all rents paid by tenants of the Fernwood Owned Units were to be sent to the Receiver, without deduction, in accordance with the Appointment Order.

42. On February 19, 2020, Friedmans provided to Chaitons, among other things, a rent roll for February 2020 and a reconciliation (the “**Pensio Reconciliation**”) based on information that was sent to Friedmans by Pensio. Friedmans requested that the Receiver directly contact Mr. Brandon Keks (“**Mr. Keks**”), Chief Operating Officer of Pensio, for any further information. According to the Pensio Reconciliation, after a series of advances made by Pensio to Fernwood, the net amount claimed by Pensio to be owed to it by Fernwood as at the date of the Receiver’s appointment is \$490,467. A copy of the Pensio Reconciliation is attached hereto as **Appendix “K”**.
43. On February 21, 2020, the Receiver discussed the Pensio Reconciliation with Mr. Keks. Based on that discussion, the Receiver understands the following:
 - (a) Pensio and/or its related companies, including Nationwide Rentsure Canada Corp. and Ai Guarantee Inc., entered into an agreement with Fernwood to provide a rental guarantee program (the “**Rental Guarantee Program**”) in order for Fernwood to be able to sell Development units at a premium, as well as property management services to Fernwood and other unit owners. The Rental Guarantee Program provided unit owners with a form of insurance such that the difference between rent collected on a particular unit and \$2,500 would be paid by Pensio to the unit owner.

Property management services were provided at a rate of 6% of rent collected by Pensio;

- (b) Mr. Keks claims that Fernwood owes Pensio approximately \$2.3 million, including HST, for fees related to the Rental Guarantee Program plus an additional \$1.0 million fee for assistance with settling a potential lawsuit for breach of contract and non-payment of real estate commissions between Keller Williams Realty, the initial real estate broker engaged by Fernwood, and Fernwood. Mr. Keks indicated that the fees of \$2.3 million in respect of the Rental Guarantee Program were payable to Pensio in advance of the sale of any of the units in the Development. Based on the Pensio Reconciliation, it appears that Fernwood paid Pensio \$1.4 million, resulting in the balance of \$1.9 million being unpaid and outstanding; and
- (c) as Fernwood did not pay the full amount claimed by Pensio, commencing in June 2017, Pensio started retaining rents collected and applying the amounts collected against its outstanding fees. As the Receiver understood that Fernwood provided a general assignment of leases and rents in favour of MZG, the Receiver requested that Mr. Keks provide the Receiver with documentation evidencing MZG's consent to Pensio retaining the rents collected and offsetting them against its outstanding fees. Mr. Keks advised that while there was no formal signed agreement, MZG agreed to this practice. Pensio provided an email exchange between Murray Snedden of MZG and John Hamilton of Pensio between February 25 and 28, 2019. A copy of the email exchange is attached hereto as **Appendix "L"**.

44. The Receiver advised Mr. Keks that the Receiver would not be paying Pensio's claim of \$490,467, but that it may be willing to continue with Pensio as property manager of the Fernwood Owned Units. In addition, the Receiver further advised Mr. Keks that there may be some additional role in the receivership administration for Pensio, including providing assistance to the Receiver to sell the Fernwood Owned Units, depending on the circumstances.
45. During March 2020, the Receiver obtained further information from various sources regarding Pensio and its relationship with Fernwood and MZG. On the basis that there appeared to be various disagreements and issues amongst the parties, the Receiver concluded that the appointment of an independent property manager was appropriate.
46. On March 25, 2020, the Receiver advised Pensio that, effective from April 1, 2020, the Receiver engaged Subhkin to act as the property manager over the Fernwood Owned Units. During the period March 25, 2020 to March 31, 2020, Subhkin transitioned property management duties from Pensio.
47. On April 1, 2020, the Receiver emailed Pensio to request that tenant rent deposits for March 2020 (the "**Rent Deposits**") be paid to the Receiver. The Receiver's understanding, based on the leases reviewed by Subhkin, was that the Rent Deposits in the possession of Pensio totaled approximately \$55,000. Mr. Keks advised the Receiver that Pensio was completing a reconciled accounting for all the investor owners in the Development in addition to the Fernwood Owned Units.

After the Receiver's follow up emails, Mr. Keks advised the Receiver on April 7, 2020 that a reconciliation would be provided to the Receiver on April 8, 2020.

48. On April 6, 2020, it came to the Receiver's attention that on April 3, 2020 Pensio sent an email to the tenants of the Fernwood Owned Units requesting that they pay their April 2020 rent to Pensio. The Receiver contacted Mr. Keks on this matter and requested that Pensio remit all rents collected for April 2020 to the Receiver. Mr. Keks advised that he was not aware of the request to tenants and that an automated message was likely sent out from Pensio's property management system. Mr. Keks subsequently advised the Receiver that any rents collected for April 2020 by Pensio had been returned to the applicable tenant(s). Subhkin has subsequently contacted all tenants in Fernwood Owned Units to collect rent for April 2020, as appropriate.
49. In March 2020, Pensio collected rent in respect of the Fernwood Owned Units totaling \$48,480 and remitted same to the Receiver. The Receiver's arrangement with Pensio was to pay 6% of rent collected by Pensio as a property management fee. Mr. Keks, on several occasions, has pressed the Receiver to pay its property management fee totaling \$3,286.94, including HST. The Receiver responded that it would not pay the fee as Pensio had not remitted the Deposits to the Receiver.
50. On April 14, 2020, the Receiver followed up with Mr. Keks to confirm that it had not received any reconciliation, nor had any of the rent deposits held by Pensio been sent to the Receiver.

51. On April 15, 2020, Mr. Keks wrote to the Receiver (the “**April 15th Email**”) and provided a reconciliation of the rent deposits held by Pensio, which totaled \$33,545, and advised that Pensio would be setting off the Rent Deposits against the unsecured amount owed to Pensio by Fernwood. A copy of the April 15th Email is attached hereto as **Appendix “M”**.
52. On April 28, 2020, Paliare Roland wrote to Pensio (the “**April 28th Letter**”) to advise that: (i) Pensio had no right to offset the Rent Deposits it received on behalf of Fernwood on the basis that the Rent Deposits were held by Pensio in trust for Fernwood; and (ii) the Appointment Order precluded set-off as all rights and remedies against Fernwood’s Property are stayed and suspended. The April 28th Letter requested that Pensio remit to the Receiver the amount of the Rent Deposits, net of the March 2020 property management fee of \$3,286.94 owed by the Receiver to Pensio. A copy of the April 28th Letter is attached hereto as **Appendix “N”**.
53. As no response to the April 28th Letter was received, Paliare Roland sent an email to Mr. Keks on May 13, 2020 to request a response to the April 28th Letter and copied Friedmans. Mr. Keks responded to advise that a complete response would be provided to Paliare Roland that week.
54. On May 25, 2020 (the “**May 25th Email**”), Mr. Keks wrote to the Receiver to advise that Pensio would pay \$29,383.06 to the Receiver. The May 25th Email indicates that rent deposits of \$33,595 were held by Pensio and that in addition to the amount of the property management fees owed to it by the Receiver, Pensio was

deducting \$925 for “offset default rent” for two tenants that had not paid rent, which resulted in forfeiture of their deposits. The Receiver does not agree with Pensio that the last month’s rent claimed to be “offset default rent” totaling \$925 can be offset against Pensio’s program fees. A copy of the May 25th Email is attached hereto as Appendix “O”.

55. To date, no amount has been paid by Pensio to the Receiver in respect of the Rent Deposits. The Receiver is therefore seeking an Order requiring Pensio to pay to the Receiver \$30,318.06, which represents the Rent Deposits retained by Pensio (as per the May 25th Email) in respect of the Fernwood Owned Units less the March 2020 property management fee payable to Pensio by the Receiver.

SV LAW

56. As set out previously in this report, Mr. Zukowski advised the Receiver that the majority of Fernwood’s books and records were with RCBS. Following the Receiver’s appointment, the Receiver sought information from RCBS in respect of the 36 units in the Development sold by Fernwood to third parties (the “**Third-Party Units**”). In order to confirm that the proceeds of sale of the Third Party Units were sent to the appropriate parties, the Receiver requested copies of the agreements of purchase and sale for the Third-Party Units, the trust ledgers for same and details of where the proceeds of sale for those units were directed.
57. RCBS advised the Receiver that RCBS did not have copies of the agreements of purchase and sale; however, it had copies of certain of the closing statements of adjustments and trust ledgers, but that it did not have all of the information. The

Receiver then contacted SV Law, the law firm which represented Fernwood on the sale of the Third-Party Units, to obtain the subject documents.

58. On March 10, 2020, the Receiver wrote to SV Law seeking information and documentation in respect of the sale of the Third-Party Units and details of the security provided to Tarion. On March 18, 2020, the Receiver sent a further email to SV Law to follow up on the request sent on March 10, 2020.
59. On March 18, 2020, SV Law responded that the Fernwood file and any information the Receiver was seeking was subject to solicitor-client privilege, that SV Law was not in a position to waive that privilege, and that Fernwood was not waiving the privilege.
60. On the basis that the Receiver was unable to obtain the information it sought from RCBS and SV Law, it requested that MZG provide the information, if it was in possession of it. MZG was able to provide certain of the information sought by the Receiver; however, MZG was unable to provide the Receiver with complete information concerning the sale of all Third-Party Units.
61. As set out above, the Receiver requires the information and documentation so that it can confirm that the proceeds of sale of the Third-Party Units were sent to the appropriate parties. The Receiver has attempted to obtain such documentation from all possible sources and has been unable to obtain to date complete information relating to the sale of units to third parties or documentation in respect of Tarion.

62. On June 16, 2020, Chaitons wrote to SV Law (the “**SV Law Email**”) to advise that the Receiver required certain information that it was unable to obtain from other sources. On that same day, Chaitons wrote to Duncan Linton (the “**June 16th Email**”), with a copy of the correspondence to SV Law, to ask if Fernwood or the Zukowskis had any issue with SV Law providing the Receiver with the requested information and documents. Copies of the SV Law Email and June 16th Email are attached hereto as Appendices “**P**” and “**Q**”, **respectively**.
63. On June 23, 2020, Mr. Duncan, on behalf of Fernwood, confirmed in writing that Fernwood did not object to SV Law producing the requested documentation and information sought by the Receiver with respect to the sale of the Third Party Units. A copy of Mr. Duncan’s letter is attached hereto as Appendix “**R**”.
64. The Receiver is currently in discussions with SV Law and its independent counsel regarding the timing of the production of the requested documents, as SV Law’s files were in off-site storage and the requested documents need to be scanned.

CONDO. CORP.

Liens

65. As at the date of the Receiver’s appointment, the main accounts for water, hydro and internet were in the name of Fernwood, notwithstanding that the condominium declaration for the Development was registered in 2016, which resulted in the incorporation of the Condo. Corp., and the Condo. Corp. had retained Bayshore to be its property manager.

66. On February 14, 2020, Bayshore wrote to Fernwood, BMO and MZG to advise that it intended to register liens against the Fernwood Owned Units for non-payment of common area fees for the months of December 2019, January 2020 and February 2020, if unpaid common area expenses of \$999 per unit were not paid by February 24, 2020. Bayshore also advised that it \$1,000 per unit would be added to the Condo. Corp.'s lien, representing costs and reasonable expenses to be incurred by the Condo. Corp. in connection with the collection or attempted collection of the \$999 per unit, as well as the cost of the title search and notice of lien (the "**Lien Costs**").
67. In reviewing this matter, it appears that Fernwood had not paid any common area fees to the Condo. Corp. for a significant period of time. Based on the account statements provided by Bayshore, the Receiver understands that MZG directly paid \$1,830 per unit to the Condo. Corp. in March 2019, which appears to be the accrued balance of common area fees from April 1, 2018 to November 30, 2018.
68. On February 19, 2019, Chaitons contacted Bayshore's paralegal to seek an extension to Bayshore's February 24, 2020 deadline to pay the outstanding amount of \$999 per unit as the Receiver was in the process of obtaining an advance from MZG to fund costs of the receivership. On February 19, 2020, Bayshore responded to Chaitons to advise that the Condo. Corp.'s board of directors had provided instructions to proceed with lien registrations on February 28, 2020, if the \$999 for each of 25 of the Fernwood Owned Units was not paid.

69. On February 28, 2020, Chaitons responded to Bayshore to advise that the Receiver had sufficient funds to make payment of the \$999 for each unit in respect of common area fees for the months of December, January and February and requested confirmation that no lien had been registered against the units. Bayshore responded that a lien in the amount of \$1,999 had been registered by the Condo. Corp.'s counsel over 25 of the Fernwood Owned Units.

Following a significant number of discussions between counsel to the Receiver and counsel to the Condo. Corp., the Receiver and the Condo. Corp. have agreed to a settlement such that the Receiver is seeking Court authority to pay \$76,807 to the Condo. Corp. in full and final satisfaction of all amounts owed by Fernwood in connection with the condominium liens registered by the Condo. Corp. against Fernwood Owned Units, together with unpaid condominium fees for the months of March to June 2020. The Receiver has obtained a release from the Condo. Corp. that will become effective upon Court approval of the payment of \$76,807 to the Condo. Corp.

Utilities

70. As referred to earlier herein, the accounts for water, hydro and internet for the Development were still in the name of Fernwood as at the date of the Receiver's appointment.
71. In order to ensure no services were interrupted, the Receiver contacted the City of Barrie, Alectra Utilities and Rogers to advise of the receivership and to have accounts opened in the Receiver's name.

72. As the Receiver was receiving limited cooperation from Bayshore and Ness Law, Chaitons requested from Bayshore's paralegal the contact information for the Condo. Corp.'s board members in order that the Receiver could have a direct discussion with them regarding the Development, including the status of claimed common area deficiencies and utilities.
73. On April 8, 2020, Bayshore's paralegal advised that Chaitons' email had been forwarded to Bayshore's general manager of condominium operations (the "**General Manager**"), who would be able to answer the Receiver's questions regarding the Condo. Corp. No communication was received from the General Manager and on April 14, 2020, Chaitons followed up again with Bayshore's paralegal, who provided the General Manager's email address and phone number.
74. A call with two board members of the Condo. Corp. (the "**Board Members**"), the General Manager, Chaitons and the Receiver was arranged for April 17, 2020. During that call, the General Manager advised the Receiver that the costs for hydro, water and internet were the responsibility of each unit owner. The Receiver informed the General Manager that while the main water and hydro accounts were in the name of Fernwood, the individual units were being sub-metered by Priority Submetering Solutions ("**Priority**").
75. The Receiver discussed the utility accounts with the General Manager and the Board Members and requested their assistance to have the accounts changed over to the name of the Condo. Corp. The General Manager requested that the Receiver send to it and the Board Members copies of the agreements between

Fernwood and Rogers regarding internet services (the “**Rogers Agreement**”), and Fernwood and Priority (the “**Priority Agreement**”). The Receiver forwarded copies of the Rogers Agreement and Priority Agreement on April 17, 2020 and April 20, 2020, respectively.

76. The Receiver requested of the General Manager that it provide a copy of the common area deficiency listing submitted by the Condo. Corp. to Tarion and drawings of the Development. To date, this information has not been provided to the Receiver by the General Manager.
77. Based on calls with Priority, Alectra, the City of Barrie and Rogers, the Receiver understands that no one from Bayshore or the Condo. Corp. has contacted them. The Receiver set up calls with the various utility suppliers to apprise them of the current situation and to provide them with the General Manager’s contact information. Since the time of the Receiver’s calls with the various utility suppliers, the Receiver has followed up with them and understands the following:
 - (a) Rogers contacted Bayshore and is in the process of having the internet services agreement between Fernwood and Rogers transferred to the Condo. Corp.;
 - (b) The City of Barrie called and left a message or messages for the General Manager; however, the General Manager did not respond to the City of Barrie. As a result, the City of Barrie has unilaterally changed the main account for water into the Condo. Corp.’s name;

- (c) Alectra's position is that Bayshore needs to call their customer service number to have the account changed over to the Condo. Corp.'s name. Since Bayshore and/or the General Manager appear to be unwilling to do this, the Receiver has discussed billing for hydro with Priority and is arranging for reimbursement of charges paid by the Receiver for hydro consumed by Third-Party Units through Priority.

PROPOSED SALE PROCESS FOR THE PROPERTY

78. As noted above, Fernwood is the owner of the 26 completed units in the Development referred to herein as the Fernwood Owned Units, along with 32 incomplete residential units in Phase 3 of the Development, which are in various stages of construction.
79. The Appointment Order authorizes the Receiver to market and sell the Property. The Receiver, in consultation with MZG as the senior secured creditor, proposes the following process to market the Fernwood Owned Units and the incomplete Phase 3 residential units for sale (the "**Sale Process**"):
- (a) Within five (days) following Court approval, the Receiver will contact parties it has identified as potentially interested in purchasing the property and provide a copy of the marketing brochure attached hereto as Appendix "**S**".
- (b) Within seven (7) business days of Court approval, the Receiver will publish a notice substantially in the form attached hereto as Appendix "**T**" advertising the opportunity the opportunity in National Post and/or such

trade or other publications that the Receiver may deem appropriate or advisable, and post the opportunity on its website.

- (c) The Receiver will obtain a non-disclosure agreement from interested parties that wish to receive a confidential information memorandum and access the data room established for the opportunity.
- (d) The offer deadline for prospective purchasers will be 12:00 noon, Toronto time on July 30, 2020, subject to the Receiver, in its discretion, extending the date.

80. Additional aspects of the Sale Process include:

- (a) the Property will be marketed on an “as is where is” basis;
- (b) MZG will have the ability to submit a credit bid offer to the Receiver;
- (c) the Receiver will have the right to reject any and all offers, including the highest offer; and
- (d) any transaction will be subject to Court approval.

RECEIVER’S STATEMENT OF RECEIPTS AND DISBURSEMENTS

81. The Receiver’s interim statement of receipts and disbursements for the period February 12, 2020 to June 15, 2020 is attached hereto as **Appendix “U”**. During this period, total receipts were \$661,409, while total disbursements were \$68,765, resulting in a cash surplus of \$592,644.

82. Included in the receipts is \$545,000 representing the Receiver's borrowings of \$575,000 from MZG net of an interest reserve of \$30,000 held back by MZG to service interest costs during the term of the borrowing. In addition, the Receiver collected \$111,408 of rent from unit and parking tenants.
83. Included in disbursements is \$21,020 paid for insurance premiums, \$20,392 paid to Paliare Roland in respect of legal fees, \$8,346 paid in respect of HST and PST and \$6,228 for repairs and maintenance.

FEES AND DISBURSEMENTS OF THE RECEIVER AND COUNSEL

84. Pursuant to paragraph 18 of the Appointment 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 Appointment Order. Pursuant to paragraph 19 of the Appointment Order, the Receiver and its counsel shall pass their accounts before the Court.
85. The fees and disbursements of the Receiver for the period February 6, 2020 to May 31, 2020 were \$98,704.50, plus disbursements of \$221.61, plus HST of \$12,860.39, for a total of \$111,786.50. The time spent by the Receiver is more particularly described in the Affidavit of Arif Dhanani sworn June 30, 2020, which is attached hereto and marked as **Appendix "V"** and contains a copy of the invoices that set out the services provided during this period.
86. The fees of the Receiver's independent counsel, Paliare Roland, for the period March 3, 2020 to May 31, 2020 were \$20,615.50, plus disbursements of 2,221.60 plus HST of \$2,960.01, for a total of \$25,797.11. The time spent by Paliare Roland

is more particularly described in the Affidavit of Sarita Sanasie, sworn June 30, 2020, which is attached hereto as **Appendix “W”** and contains a copy of the invoices that set out the services provided during this period.

87. The Receiver is of the view that the fees and disbursements charged by Paliare Roland are fair and reasonable.

REQUESTS OF THE COURT

88. Based on the foregoing, the Receiver respectfully requests that the Court grant the orders described in paragraph 6(c) above.

All of which is respectfully submitted to this Court as of this 30th day of June, 2020.

RSM CANADA LIMITED

In its capacity as Court-appointed Receiver of
Fernwood Developments (Ontario) Corporation
and not in its personal capacity

Per: 

Arif Dhanani, CPA, CA, CIRP, LIT
Vice-President

APPENDIX A

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

THE HONOURABLE MR.

)

WEDNESDAY, THE 12th

JUSTICE HAINEY

)

DAY OF FEBRUARY, 2020

)

B E T W E E N:



MARSHALLZEHR GROUP INC.

Applicant

- and -

FERNWOOD DEVELOPMENTS (ONTARIO) CORPORATION

Respondent

APPLICATION UNDER SUBSECTION 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

**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 as receiver (the "**Receiver**") without security, of all of the assets, undertakings and properties of Fernwood Developments (Ontario) Corporation (the "**Debtor**") acquired for, or

used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Murray Snedden sworn January 30, 2020 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and Pensio Property Management Group Inc., no one appearing for the Debtor, and on reading the consent of RSM Canada Limited to act as the Receiver,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the *BIA* and section 101 of the *CJA*, RSM Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the 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;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any

applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *BIA*, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this

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

EMPLOYEES

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

PIPEDA

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

information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any

gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the *BIA* or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the *BIA* or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the *BIA*.

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

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

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2.5 million (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 "A"** 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.

RETENTION OF LAWYERS

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

SERVICE AND NOTICE

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

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any

other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

28. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

29. **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.

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

31. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give

effect to this Order and to assist the 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.

32. **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.

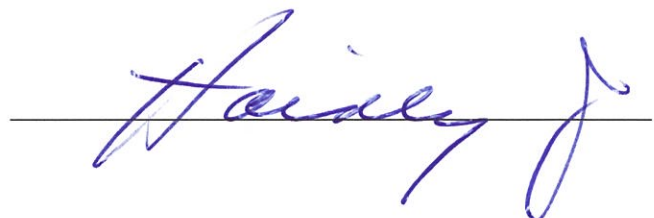
33. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver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

34. **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:

FEB 12 2020

PER / PAR:



SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that RSM Canada Limited the receiver (the "**Receiver**") of the assets, undertakings and properties Fernwood Developments (Ontario) Corporation acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 12th day of February, 2020 (the "**Order**") made in an application having Court file number CV-20-00635523-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

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

Per: _____

Name:

Title:

MARSHALLZEHR GROUP INC.

Applicant

-and-

FERNWOOD DEVELOPMENTS (ONTARIO) CORPORATION

Respondent

Court File No. CV-20-00635523-00CL

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

PROCEEDING COMMENCED AT
TORONTO

ORDER
(appointing Receiver)

CHAITONS LLP

5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Harvey Chaiton (LSO No. 21592F)

Tel: (416) 218-1129

Fax: (416) 218-1849

E-mail: harvey@chaitons.com

Sam Rappos (LSO No. 51399S)

Tel: (416) 218-1137

Fax: (416) 218-1837

E-mail: samr@chaitons.com

Lawyers for the Applicant

APPENDIX B

Request ID: 024096072
Transaction ID: 74347157
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/01/20
Time Report Produced: 13:47:30
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1461231	FERNWOOD DEVELOPMENTS (ONTARIO) CORPORATION	2001/01/25
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
5556 5TH LINE	NOT APPLICABLE	NOT APPLICABLE
ROCKWOOD ONTARIO CANADA N0B 2K0	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
490 YORK ROAD BUILDING E, UNIT 1		NOT APPLICABLE
GUELPH ONTARIO CANADA N1E 6V1	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	Date Ceased in Ontario
	00001 00005	NOT APPLICABLE
Activity Classification		NOT APPLICABLE
NOT AVAILABLE		

Request ID: 024096072
Transaction ID: 74347157
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/01/20
Time Report Produced: 13:47:30
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1461231

Corporation Name

FERNWOOD DEVELOPMENTS (ONTARIO)
CORPORATION

Corporate Name History

FERNWOOD DEVELOPMENTS (ONTARIO)
CORPORATION

Effective Date

2001/01/25

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator: Name (Individual / Corporation)

JORDAN
ZUKOWSKI

Address

5556 5TH LINE ERAMOSA, R.R. #
1
ROCKWOOD
ONTARIO
CANADA NOB 2K0

Date Began

2001/01/25

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024096072
Transaction ID: 74347157
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/01/20
Time Report Produced: 13:47:30
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

1461231

Corporation Name

FERNWOOD DEVELOPMENTS (ONTARIO)
CORPORATION

Administrator: Name (Individual / Corporation)

JORDAN
ZUKOWSKI

Address

5556 5TH LINE ERAMOSA, R.R. #
1
ROCKWOOD
ONTARIO
CANADA NOB 2K0

Date Began

2001/01/25

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator: Name (Individual / Corporation)

JORDAN
ZUKOWSKI

Address

5556 5TH LINE ERAMOSA, R.R. #
1
ROCKWOOD
ONTARIO
CANADA NOB 2K0

Date Began

2001/01/25

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 024096072
Transaction ID: 74347157
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/01/20
Time Report Produced: 13:47:30
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

1461231

Corporation Name

FERNWOOD DEVELOPMENTS (ONTARIO)
CORPORATION

**Administrator:
Name (Individual / Corporation)**

JORDAN
ZUKOWSKI

Address

5556 5TH LINE ERAMOSA, R.R. #
1

ROCKWOOD
ONTARIO
CANADA NOB 2K0

Date Began

2001/01/25

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 024096072
Transaction ID: 74347157
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/01/20
Time Report Produced: 13:47:30
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

1461231

Corporation Name

FERNWOOD DEVELOPMENTS (ONTARIO)
CORPORATION

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2018	1C	2019/06/02 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

APPENDIX C



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

**NOTICE AND STATEMENT OF RECEIVER
(SECTION 245(1) AND 246(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT (CANADA)*)**

In the matter of the receivership of Fernwood Developments (Ontario) Corporation (the “**Company**”)

The receiver gives notice and declares that:

1. On the 12th day of February, 2020, the undersigned, RSM Canada Limited, was appointed as receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of the Company, an insolvent person that is described below:

Description	Amount
Security Deposits	\$ 1,400,000
Rentsure	170,169
Rent Receivables	1,086,524
Property - Barrie	13,192,729
Rental Units	7,672,571
	<u>\$23,521,993.00</u>

**The amounts above reflect the net book values recorded on the Company's
Draft Financial Statements as at October 21, 2019.*

2. The undersigned became a receiver in respect of the Company by virtue of being appointed by the Ontario Superior Court of Justice - Commercial List.
3. The undersigned commenced the exercise of its powers in respect of that appointment on the 12th day of February, 2020.
4. The following information relates to the receivership:
 - a) Registered Head Office of the Company: 240 Penetanguishene Rd, Barrie, ON L4M 7C2.
 - b) Principal line of business: Real estate development company and real property owner.
 - c) The amounts owed by the Company to the creditors who appear to hold a security interest include:

THE **POWER OF BEING UNDERSTOOD**
AUDIT | TAX | CONSULTING

Royal Bank of Canada
Bank of Montreal
MarshallZehr Group Inc.

Unknown
Unknown
24,000,000

- d) The list of creditors of the Company and the amount owed to each creditor by the insolvent company is attached hereto. This list has been compiled from information available to the Receiver, including the books and records of the Company and a search of the Personal Property Security Registration System and limited enquiries by the Receiver and has not been audited or verified by the Receiver. The fact that persons are receiving this notice or are included on the creditors list does not mean that it has been determined that they are a creditor or that if they are a creditor, that their claim is admitted in the amount set out on that list.
- e) The current intended plan of the Receiver, to the extent that such a plan has been determined, is to realize on the assets of the Company.
- f) Contact person for the Receiver:

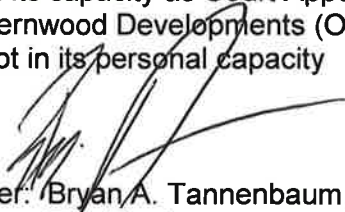
Echa Odeh
RSM Canada Limited
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario M5H 4C7
Telephone: (647) 730-3728
Facsimile: (416) 480-2646
E-mail: echa.odeh@rsmcanada.com

- g) Additional information: A copy of the receivership order is posted on the Receiver's website at <https://rsmcanada.com/what-we-do/services/consulting/financial-advisory/restructuring-recovery/current-restructuring-recovery-engagements/fernwood-developments-ontario-corporation.html>. Other pertinent public information will be posted to this website as that information becomes available.

Dated at Toronto this 21st day of February, 2020.

RSM CANADA LIMITED

In its capacity as Court Appointed Receiver of
Fernwood Developments (Ontario) Corporation, and
not in its personal capacity


Per: Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

**RSM CANADA LIMITED
IN THE MATTER OF THE RECEIVERSHIP OF
FERNWOOD DEVELOPMENTS (ONTARIO) CORPORATION**

LIST OF CREDITORS

SECURED CREDITORS

MarshallZehr Group Inc.	24,000,000.00
Bank of Montreal	Unknown
Royal Bank of Canada	Unknown
	<u>\$ 24,000,000.00</u>

OTHER CREDITORS

Ampot Portable Toilets Inc.	2,067.48
Angel Wings - Shelly Pellis Clarke	6,487.11
Barrie Carpet & Hardwood	16,177.81
Barrie Glass & Mirror Ltd	453.13
Bayshore Property Management	77,246.00
BMO MC	41,961.74
Bosna Home Renovation	15,250.00
Brecour Cleaning	350.30
Chris Belinger	12,881.57
City of Barrie	24,230.15
City of Barrie- Property Tax	84,616.96
Con Mar Group	33,137.82
Dalmar Columns Inc	11,768.95
DLG Services Inc.	8,008.88
Duncan Drywall	178,195.00
Enbridge Gas Distribution Inc.	10,552.65
Federated Insurance Company of Canada	39,490.64
Georgian Waste Services	9,509.84
Glory Cleaning	210.00
Glynn Group Inc.	20,683.52
Grounded Electrical Services	82,038.00
Hapamp Elmvale Limited	5,117.63
Hummel Concrete Floors	7,295.63
Jeff McKeever Plumbing and Contracting	102,611.20
JM Painting Inc.	46,137.76
John D. Bell Associates Ltd.	1,583.41
Jordan Zukowski	214,700.00
Kelly's Truck Inc.	5,313.83
Lyon Financial	3,915.45
Maacon Construction Corp.	10,839.55
Mack Constructions Inc.	28,740.42
McKick Masonry	73,961.00
Melvin Visser	25,492.64
Millex	2,133.14
Moduloc	966.15
Nezz Electrical o/a 2242141 Ontario Ltd	122,285.30
Orchard Design	6,870.70
Parsons Precast Inc	11,442.38
Pearson Engineering	3,114.50
Plumbtech	42,609.05

**RSM CANADA LIMITED
IN THE MATTER OF THE RECEIVERSHIP OF
FERNWOOD DEVELOPMENTS (ONTARIO) CORPORATION**

LIST OF CREDITORS

Alectra Utilities Corporation	3,360.25
Precision	6,667.00
Priority Mechanical Services Ltd.	275,775.82
Priority Submetering	45,130.51
Ray Tomporowski	12,890.70
Raywal Limited Partnership	24,207.55
Receiver General	30,331.70
Rogers	15,783.29
Royal City Bookkeeping Services Ltd.	26,117.99
Rudy Mak Surveying Ltd.	9,645.91
Sandpiper Energy Solutions Home Comfort Inc.	8,128.24
Secure Store	672.35
Simcoe Building Centre	411,336.21
Smith Valeriotte	1,024.77
Schneider Ruggiero LLP	21,954.48
Stairrite	5,597.95
Sunbelt Rentals Inc	6,891.45
Supplementary Property Tax (Owner's)	23,482.94
TC Cabinets Group Inc	11,451.42
Tomlin Industries (2000) Inc.	46,219.10
Van Harten Surveying Inc.	4,490.21
Walter	3,000.00
Weiler & Company	28,659.10
Wolfenden Construction Inc.	41,462.25
WSIB	9,009.09
Yellow Pages	571.23
	<u><u>\$ 2,464,308.80</u></u>

Supplemental Mailing List

Canada Revenue Agency
Minister of Finance
Office of the Superintendent of Bankruptcy
Fernwood Developments (Ontario) Corporation

APPENDIX D



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

March 16, 2020

Sent via Email: fernwooddev2020@gmail.com

Jordan Zukowski

Dear Mr. Zukowski:

**Re: In the Matter of the Receivership of Fernwood Developments (Ontario) Corporation
("Fernwood")**

Reference is made to your meeting with the Receiver on February 20, 2020 (the "**Meeting**") and your telephone conversation with Echa Odeh on Thursday, March 12, 2020 (the "**Conversation**").

As you are aware, on February 12, 2020, the Ontario Superior Court of Justice issued an Order (the "**Appointment Order**") appointing RSM Canada Limited as receiver (the "**Receiver**") without security, of all of the assets, undertakings and properties of Fernwood. A copy of the Appointment Order has previously been provided to you.

During the Conversation you mentioned that there were some maintenance issues that you were made aware of at the property located at 242-252 Penetanguishene Rd. in Barrie, Ontario (the "**Property**"), including the following:

1. Rubbish strewn all over the Property, which had not been cleaned as of the date of the Conversation;
2. Unit 14, Block 4, has a fire safety issue, the door for the unit has been damaged and the door still requires fixing; and
3. You are continuing to receive phone calls from third parties in regards to property maintenance issues.

Additionally, since the Meeting, the Receiver has been made aware of additional assets that were not disclosed by you to the Receiver at the Meeting or subsequently, including the following:

1. TD Bank Account No. 5254264; and
2. 2016 Miska Trailer – Serial No. 2MSUFE52XG1011573 (the "**Trailer**"). You have advised that Fernwood sold the Trailer to you on November 4, 2019 for an amount of \$2,200 (HST inclusive).

You had indicated during the Conversation that you were new to the Receivership process and as a result were not aware that you should be keeping the Receiver apprised of all issues relating to the Property and Fernwood. Please note that any information pertaining to the Property, Fernwood, its activities and any other property or assets owned by Fernwood (collectively, the "**Relevant Information**") should be disclosed to the Receiver immediately upon receiving any new information

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or as you become aware of the information. Additionally, any of the Relevant Information that you have failed or forgotten to disclose to the Receiver since its appointment should be disclosed to the Receiver immediately upon receipt of this letter.

Subsequent to disclosing to the Receiver all the Relevant Information, the Receiver also requests that you provide the following information by no later than 5pm, Tuesday, March 17, 2020:

1. Details of any and all maintenance issues at the Property including a full description of each maintenance issue, the location of the issue, when you were notified of the issue, who notified you of the issue and whether you have commenced any activities to rectify any of these issues;
2. Assurance that you will direct any future phone calls relating to the Property to the Receiver's office and also notify the Receiver immediately of these calls including the name and contact number of the person who has contacted you;
3. Details of any other assets held in the name of Fernwood that may not have been disclosed to the Receiver;
4. Details of any assets sold by Fernwood between February 2019 and the date of this letter including the amount of consideration paid for the asset, the date the asset was sold, the name and contact information of the buyer and all documentation relating to the sale;
5. Additional information in relation to the 2016 Miska trailer including proof of payment by you to Fernwood, the mileage on the trailer and the transfer documents.

Please forward the requested information by email to echa.odeh@rsmcanada.com or by courier to the following address:

RSM Canada Limited, Court-Appointed Receiver of
Fernwood Developments (Ontario) Corporation
11 King Street West, Suite 700, PO Box 27
Toronto, ON M5H 4C7

Attention: Echa Odeh

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, in its capacity as Court-appointed
Receiver of Fernwood Developments (Ontario) Corporation
and not in its personal or corporate capacity



Per:

Arif Dhanani, CPA, CA, CIRP, LIT
Vice President

Encl.

APPENDIX E

DUNCAN, LINTON LLP

LAWYERS

IRWIN A. DUNCAN+ • J. DAVID LINTON+ • DAVID M. STEELE • MICHAEL A. VAN BODEGOM
PATRICK J. KRAEMER • DANIEL W. VEINOT • PETER A. HERTZ • BRYAN A. ROWE
THOMAS E. SANDERSON • JUSTINE A. DALTON • ROBIN J. ELLIS
BRANDON J. CARTER • MARK E. SIMON

(+Denotes Professional Corporation)

45 ERB STREET EAST
WATERLOO, ONTARIO
N2J 1L7

TEL: 519-886-3340
FAX: 519-886-8651
WEBSITE: www.kwlaw.net
EMAIL: iad@kwlaw.net

March 18, 2020
File No. 0041883

Arif Dhanani
RSM CANADA LIMITED
11 King Street West
Suite 700, Box 27
Toronto, ON M5H 4C7

VIA EMAIL (arif.dhanani@rsmcanada.com)

Dear Mr. Dhanani:

Re: Fernwood Developments v. MarshallZehr Group

We are solicitors for Jordan Zukowski. He has provided us with a copy of your letter of March 16, 2020.

Mr. Zukowski has fully cooperated with the Receiver since the date of its appointment. That includes meeting with you on February 20, 2020, and speaking with your staff by telephone on a number of occasions. He has also provided email setting out requested information.

As the sole shareholder of Fernwood, Mr. Zukowski has a vested interest in ensuring that the Receiver looks after the Barrie project and that it takes steps to maximize the value of its assets for the benefit of everyone. For those reasons he attempted to meet with MarshallZehr representatives before the date of the receivership appointment, but they (and the lawyers representing you and MarshallZehr) refused to meet. At the February 20 meeting, Mr. Zukowski offered to take care of maintenance of the site on ongoing basis provided that he was paid. Mr. Zukowski has received no response to that offer. Notwithstanding he provided project management and maintenance until February 28, 2020

You have been provided with full particulars relating to the Miska Trailer transaction. Mr. Zukowski is putting together a package of information relating to Fernwood's TD Bank account. That account was frozen some time ago, it has a zero balance.

Mr. Zukowski is not in control of the Barrie project. Pensio Group and persons that it delegated responsibility to were the property managers at the time of your appointment. You should direct inquiries to them concerning the project and issues relating to the state of the property and the tenancies.

We also report that Bank of Montreal has been in contact with Mr. Zukowski concerning renewal of a Standby Letter of Credit. Mr. Zukowski has no authority to deal with that matter; however, he has advised BMO that he is no longer prepared to continue his personal guarantee relating to the Letter of Credit.

All inquiries by third parties have been referred by Mr. Zukowski to your office. For example that includes Rogers Cable. Our firm has also sent copies of the condominium liens to your office.

Mr. Zukowski is not on your payroll and will not be carrying out duties that can be performed by your staff or others you can contract with unless you agree to compensate him for that work. He has an obligation to work to support his family.

We trust that you are being as diligent in investigating the relationship between MarshallZehr and Fernwood Developments. We assume that you understand the potential conflicts of interest that you have in this receivership.

Please direct further requests of Mr. Zukowski to our firm to prevent confusion and unfairness to Mr. Zukowski.

Yours very truly,

DUNCAN, LINTON LLP



Irwin A. Duncan

IAD/tb

Encl.

c. Client

Sam Rappos (e: samr@chaitons.com)

APPENDIX F

TARION

PROTECTING ONTARIO'S NEW HOME BUYERS

5160 YONGE ST., TORONTO, ON M2N 6L9

TD CANADA TRUST
5550 Yonge Street
Toronto, ON M2M 4G3
19702-004

CHEQUE NO. 30102022

DATE 24-10-2019

DD MM YYYY

PAY

The Sum of 531,363 dols 09 cts

CHEQUE AMOUNT **\$*** 531,363.09**

TO THE ORDER OF

FERNWOOD DEVELOPMENTS (ONTARIO) CORPORATION
490 York Rd., Building E, Unit 1
GUELPH, ON N1E 6V1

TARION WARRANTY CORPORATION

PER

AUTHORIZED SIGNATURE

PER

AUTHORIZED SIGNATURE

⑈ 30 10 20 22 ⑈ ⑆ 096 12 004 ⑆

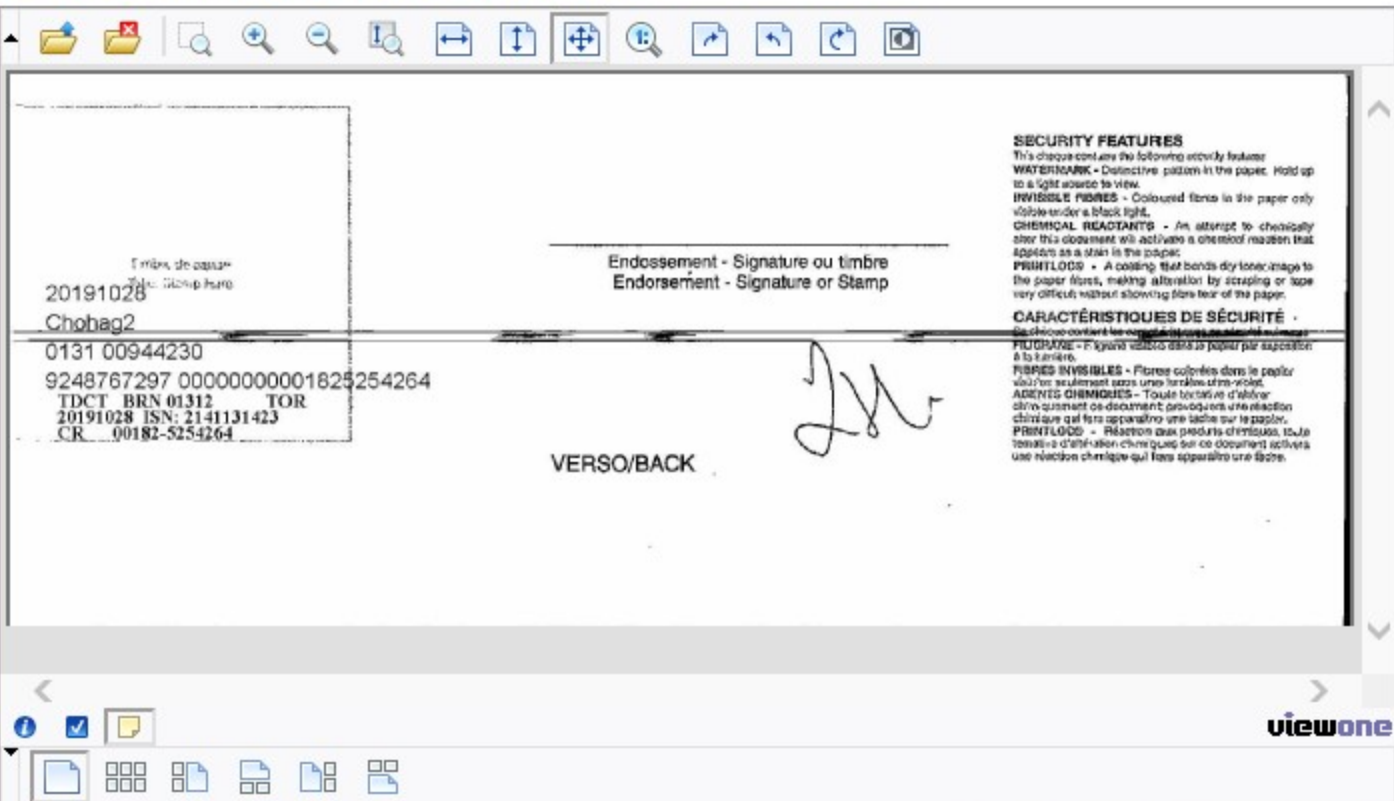
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viewone

Print Original

View Reverse

Close



Print Original

View Front

Close

APPENDIX G

PALIARE ROLAND

BARRISTERS

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
Danielle Glatt
Lauren Pearce
Elizabeth Rathbone
Daniel Rosenbluth
Glynnis Hawe
Emily Home
Hailey Bruckner
Charlotté Calon
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File 97267

March 23, 2020

Via email: iad@kwlaw.net

Irwin A. Duncan
Duncan, Linton LLP
45 Erb Street East
Waterloo, ON N2J 1L7

Dear Mr. Duncan:

Re: Fernwood Developments (Ontario) Corporation ("Fernwood")

We have been retained as independent counsel to RSM Canada Limited, the court appointed receiver of Fernwood (the "Receiver").

In that capacity, we will be advising the Receiver on certain matters in connection with the ongoing receivership. This letter addresses two such matters.

First, the Receiver has asked us to consider and respond to your February 24, 2020 letter about Fernwood's claim against MarshallZehr Group (the "Claim"). In our view, there is no need or urgency to deal with the Claim at present, particularly given that the courts are closed and time periods are suspended under the *Rules of Civil Procedure*. Accordingly, the Receiver intends to continue pursuing the most significant and pressing matters under its mandate and it will subsequently turn its attention to the Claim.

Second on March 16, 2020, Ms. Odeh wrote to Mr. Zukowski to advise him that the Receiver had identified two assets that had not been disclosed previously, namely a TD Bank Account (No. 5254264) and a 2016 Miska trailer. Ms. Odeh requested that Mr. Zukowski provide information about these two assets, as well as information set out in five enumerated paragraphs in Ms. Odeh's letter. You responded on March 18, 2020 behalf on of Mr. Zukowski but failed to address any of the issues raised in Ms. Odeh's letter.

We ask that Mr. Zukowski please address the issues in Ms. Odeh's March 16, 2020 letter, as he is required to do, by no later than March 26, 2020.

Yours very truly,
PALIARE ROLAND ROSENBERG ROTHSTEIN LLP



Jeffrey Larry

c. B. Tannenbaum/A. Dhanani

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 WELLINGTON STREET WEST 35TH FLOOR TORONTO ONTARIO M5V 3H1 T 416.646.4300

APPENDIX H

DUNCAN, LINTON LLP

LAWYERS

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PATRICK J. KRAEMER • DANIEL W. VEINOT • PETER A. HERTZ • BRYAN A. ROWE
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TEL: 519-886-3340
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WEBSITE: www.kwlaw.net
EMAIL: iad@kwlaw.net

March 27, 2020
File No. 0041883

Jeffrey Larry
Paliare Rolland Rosenberg Rothstein LLP
Barristers
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1

VIA EMAIL (jeff.larry@paliareroland.com)

Dear Mr. Larry

Re: Fernwood Developments (Ontario) Corporation

We have your letter of March 23, 2020.

The information set out in the fourth paragraph of your letter is not accurate. Mr. Zukowski responded to Echa at RSM concerning the Miska trailer on March 13 and again on March 16. Echa was provided with a copy of the sales receipt for the trailer by email on March 16. An inactive Caterpillar skidsteer was sold (as is) in October 2019 to a Fernwood employee, Walter Turrin for approximately \$8,000.

Project Maintenance

Echa asked for a detailed report on the state of each of the 26 inventory units owned by Fernwood and a report on the overall maintenance of the Barrie site. The property manager at the time of the receivership order was Pensio or parties retained by it. Mr. Zukowski was doing his best to assist but was not being compensated. Mr. Zukowski met with the receiver at the site shortly after the receivership and gave a verbal report at that time. He also offered to assist in property management going forward but no one from RSM followed up on that offer.

If RSM wants a written report, Mr. Zukowski is agreeable to preparing same if he is compensated accordingly. Please let us know asap if RSM wants to commit to that

arrangement. It appears that Pensio has terminated any property management and that the receiver similarly has done nothing in that regard.

Mr. Zukowski advises that all telephone calls from third parties have been directed to RSM.

Rental Insurance

Please have the RSM confirm that all rental insurance policies that were sold to unit purchasers are in place and are protecting investors who paid for them at the time they purchased their units, including all units owned by Fernwood Developments. We understand that those policies provide for rental coverage for \$2,500 month. MarshallZehr prepaid the premiums for these policies. A recent communication from Pensio to its investors seems to be inconsistent with the facts.

Other Assets

Mr. Zukowski advises that he is not aware of any Fernwood Development assets that are not known to the receiver. Mr. Zukowski purchased a pickup truck from Fernwood in 2019 and paid the market value of same to the company. Attached please find the sales receipt for that transaction.

All information in Mr. Zukowski's possession concerning the TD bank account will be sent to you next week. There is a zero balance in that account.

Mail Re-Direction

RSM has re-directed all mail addressed to Fernwood Development's office in Guelph. That office is occupied by other corporations. It appears that all mail being sent to that address is being sent to RSM. Any mail addressed to anyone other than Fernwood Developments (Ontario) Corporation must be returned to the proper addressee immediately. None of that mail is to be opened by RSM. It appears that RSM has already opened mail that is not addressed to Fernwood Developments. That mail must be re-sealed and returned.

We also have communication from RSM asking for information relating to Fernwood Properties. The receiver has improperly opened mail relating to that company. That must stop immediately. No information relating to that company will be provided.

Yours very truly,
DUNCAN, LINTON LLP


Irwin A. Duncan
IAD/tb
Encl.

Fernwood Developments (Ontario) Corporation

5556 5th Line
Rockwood, ON
N0B2K0

Sales Receipt

Date	Sale No.
04/11/2019	1

Sold To
Jordan Zukowski.

Cheque No.	Payment Method	Project

Description	Qty	Rate	Amount
Sale of 2010 Dodge Ram 2500 Truck - VIN 3D7ut2cl9ag180981 (as is)		12,389.38	12,389.38
HST (ON) on sales		13.00%	1,610.62
		Total	\$14,000.00

GST/HST No.

896577715

APPENDIX I

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
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File 97267

April 6, 2020

Via email: iad@kwlaw.net

Irwin A. Duncan
Duncan, Linton LLP
45 Erb Street East
Waterloo, ON N2J 1L7

Dear Mr. Duncan:

Re: Fernwood Developments (Ontario) Corporation ("Fernwood")

I refer to your letter of April 1, 2020 and the Reconciliation and Back Up documentation provided in the Dropbox link included in the body of your email to which your letter was attached.

The Receiver has reviewed the information provided and has a number of follow-up questions which are set out below. In addition to answering the questions below, we ask that Mr. Zukowski provide complete copies of the bank statements for TD account no. 5254264 for the period from the time the account was opened to February 29, 2020.

1. At the end of the Reconciliation, it states that "Funds JZ Received" totaled \$165,193.32. Please explain this line item and provide a complete breakdown of this amount.
2. *Modu-Loc* –the December 6, 2019 check to Modu-Loc is for \$644.10 but the October 19, 2018 invoice from Modu-Loc is for the amount of \$567.83. Please explain why Modu-Loc was paid more than the amount of its invoice.
3. *Duncan Linton* - the Reconciliation states there was a January 13, 2020 draft to Duncan Linton for a "Retainer re Share Sale". Please provide details of this proposed (or actual) share sale.
4. *Walter Turrin* – provide: (i) further details, backup and proof of payment for the \$3,300 "reimbursement" made by him; and (ii) particulars about the bobcat "gifted" to him including the make, model number, year, number of hours used and condition of the bobcat.
5. *Jordan Zukowski Expenses (Oct 31/19 and Feb 1/20)* - provide backup, supporting documents and proof of payment for each of the claimed expenses totaling \$24,467.24 for October 31, 2019 and \$39,458.82 for February 1, 2020.

6. *Management Fees* – for each of Jordan Zukowski and Rudi Zukowski, provide any management or consulting agreement with Fernwood or any other agreement reflecting the entitlement to the monthly management fees claimed. Please confirm whether Jordan and Rudi Zukowski's management fees are accrued on Fernwood's financial statements and, if so, please indicate where such accrual is made. Finally, please advise why HST was not included on the fees paid to Jordan Zukowski.
7. *Weiler & Company* – The September 29, 2019 statement includes an invoice dated October 18, 2019 (ie after the statement date). Please provide an explanation.

We ask that the information and answers be provided by no later than April 9, 2020. In the meantime, if you or your client has any questions, please let me know.

Yours very truly,
PALIARE ROLAND ROSENBERG ROTHSTEIN LLP



Jeffrey Larry

c. B. Tannenbaum/A. Dhanani

Doc 3276857 v1

APPENDIX J

DUNCAN, LINTON LLP

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PATRICK J. KRAEMER • DANIEL W. VEINOT • PETER A. HERTZ • BRYAN A. ROWE
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EMAIL: iad@kwlaw.net

April 23, 2020
File No. 0041883

Jeffrey Larry
Paliare Rolland Rosenberg Rothstein LLP
Barristers
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1

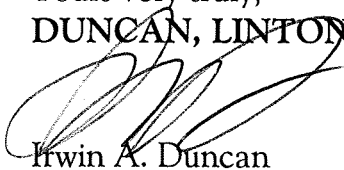
VIA EMAIL
(jeff.larry@paliareroland.com)

Dear Mr. Larry:

Re: Fernwood Developments (Ontario) Corporation

We attach our client's response to the information requests set out in your letters of April 6 and April 8, 2020.

Yours very truly,
DUNCAN, LINTON LLP



Irwin A. Duncan
IAD/js
Encl.

X

RSM Response Letter Dated April 6th.

TD Account # 5254264:

Statement is attached

Item 1:

This is a reconciliation of funds paid out against invoices payable and due to keep the project site operational. The line item of \$165,193.32 is money which is still owed to Jordan Zukowski for unpaid invoices.

Item 2:

Moduloc Fencing is an ongoing monthly expense. The attached statement reflects the payment on December 6th 2019. This was the minimum amount due to keep the fencing in place.

Item 3:

MarshallZehr advised Fernwood that it required the sale of the shares of Fernwood to Pensio as part of a plan to transfer the Project to Pensio. This was the third plan that MZ had to transfer the project to Pensio. The solicitors for MarshallZehr prepared a draft Share Purchase Agreement and an Intercreditor Agreement and sent it Jordan Zukowski indicating that this transaction must be agreed to otherwise MarshallZehr would appoint a receiver for Fernwood.

In due course Jordan Zukowski sought legal advice concerning this proposal from Duncan, Linton LLP. It was pointed out that the Share Purchase Agreement made no sense as a corporation cannot sell its issued shares – only shareholder can sell the issued shares. In an effort to resolve matters with MarshallZehr, the Share Purchase Agreement was amended to provide for a sale by Jordan Zukowski of the shares of Fernwood to Pensio. Jordan Zukowski was the sole shareholder. Over the next number of weeks, Pensio purported to agree to the proposed transaction. MarshallZehr participated in all telephone conferences that were intended to address alleged due diligence issues relating to the proposed share sale and related matters. Finally, when Pensio's lawyer was asked to confirm that it had financing in place to complete the transaction on the final scheduled closing date, Pensio purported to terminate the proposed transaction allegedly because Fernwood had not provided proper financial disclosure. It is the position of Fernwood and the Zukowskis that all requested financial and other

information had been disclosed and that they had fully cooperated in completing the proposed transaction as requested by MZ.

Item 4:

Our bookkeeper, Royal City Bookkeeping will be supplying the back up paperwork and we will remit once received. Walter Turrin was owed money for work provided at Georgian Meadows which Fernwood at the time was unable to pay. His hours were offset to the value of the skidsteer, a Cat. Skidsteer which was in inoperable condition. The hours on the machine were approx. 4500. The year 2007 Caterpillar model 247. #247BJMTL00507.

Item 5:

Backup information has been requested from our bookkeeper Royal City Bookkeeping and will be provided once received

Item 6:

Management fees are not accrued in financial statement. Jordan Zukowski does not have an HST# therefore could not charge HST. It should be noted there was a Management Fee arrangement for both Jordan and Rudi Zukowski included in the construction budget for the Georgian Meadows project approved by MZ. All cost consultant budgets reflected Management fees to keep the site operational. Jordan Zukowski provided full management and general Labour for Georgian Meadows. Jordan Zukowski provided Property Management services for the site, paid for the operation of the Management office, paid for the phone, paid for all utilities and internet, all office supplies, performed all required maintenance as Pensio failed to adequately perform its property management duties as they were simply focussed on taking all rent proceeds without spending a dollar. With personal money being injected into the site, Jordan Zukowski was maintaining the Asset to the best of his ability and kept the site operational thereby preventing disconnection of utilities and maintaining the rental units. Jordan and his team paid for and staffed the Rental Fairs at Georgian College as Pensio again did not spend a dollar on Marketing. Attending these rental fairs is vital to keeping the units fully rented with students.

Item 7:

This is an administration error as the Statement should be dated October 29th not September 29th



STATEMENT OF ACCOUNT

STATEMENT DATE: 10/16/19

CUST #: 17396

GST#850693318 RT0001

BC PST# 1000-4728

FERNWOOD DEVELOPMENT ONTARIO C

FERNWOODHOMES@GMAIL.COM &

JORDAN.ZUKOWSKI@GMAIL.COM

ROCKWOOD ON N0B-2K0

DATE	INVOICE#	LOC DESCRIPTION	AMOUNTS	CREDITS	BALANCE
09/23/19	301246	520 254 PENETANGUISHENE	322.05	0.00	322.05
10/10/19	307087	520 254 PENETANGUISHENE	322.05	0.00	322.05

****Credit Memos/Unapplied Payments****

Amount

Allocated

Remaining

CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	TOTAL DUE
644.10	0.00	0.00	0.00	0.00	644.10

MODU-LOC FENCE RENTALS LP 240 NEAVE ROAD KELOWNA, BC V1V 2L9

Phone #: 250-491-4110 Fax #: 250-491-4133

X

Account Activity

[Help](#) | [Print](#)

Account: **TD EVERY DAY A BUSINESS PLAN - 5254264** (\$61.15) ▼

Current Balance Available Balance
(\$61.15) \$0.00

Balance Date: Apr 07, 2020

View All Transactions

[30 days](#) | [60 days](#) | [90 days](#) | [120 days](#)

Search by Month (up to 18 months)

Month Apr Year 2020

From Oct 1 2019 To Apr 7 2020 Search

Your transactions for Oct 1, 2019 to Apr 7, 2020

Date ↑	Transaction Description ⓘ	Withdrawals ⓘ	Deposits ⓘ	Balance
Mar 31, 2020	OVERDRAFT INTEREST	0.75		(\$61.15)
Mar 31, 2020	MONTHLY PLAN FEE	19.00		(\$60.40)
Feb 28, 2020	OVERDRAFT INTEREST	0.39		(\$41.40)
Feb 28, 2020	MONTHLY PLAN FEE	19.00		(\$41.01)
Jan 31, 2020	OVERDRAFT INTEREST	0.01		(\$22.01)
Jan 31, 2020	PAPER STMT FEE	3.00		(\$22.00)
Jan 31, 2020	MONTHLY PLAN FEE	19.00		(\$19.00)
Jan 22, 2020	Transfer to TD EPREMIUM SAVINGS ACCOUNT 6464509 HG373	331.40		\$0.00
Jan 21, 2020	Deposit at Branch - 0131		175.58	\$331.40
Jan 17, 2020	CAD DRAFT 90002573	4,582.88		\$155.82
Jan 17, 2020	Transfer from TD EPREMIUM SAVINGS ACCOUNT 6464509 JT492		4,500.00	\$4,738.70
Jan 17, 2020	E-TRANSFER CA***Y3V		192.04	\$238.70
Jan 16, 2020	Transfer to TD EPREMIUM SAVINGS ACCOUNT 6464509 IH270	750.00		\$46.66
Jan 16, 2020	E-TRANSFER CA***qJj		192.04	\$796.66
Jan 16, 2020	E-TRANSFER CA***yMQ		512.12	\$604.62
Jan 13, 2020	CAD DRAFT 89590573	10,007.50		\$92.50
Jan 13, 2020	Transfer from TD EPREMIUM SAVINGS ACCOUNT 6464509 RJ443		10,100.00	\$10,100.00
Jan 10, 2020	Transfer to TD EPREMIUM SAVINGS ACCOUNT 6464509 JJ223	859.44		\$0.00
Dec 31, 2019	PAPER STMT FEE	3.00		\$859.44
Dec 31, 2019	MONTHLY PLAN FEE	19.00		\$862.44
Dec 10, 2019	CAD DRAFT 89779218	4,067.68		\$881.44
Dec 10, 2019	Transfer from TD EPREMIUM SAVINGS ACCOUNT 6464509 WT362		4,000.00	\$4,949.12
Dec 06, 2019	CAD DRAFT 88955637	644.10		\$949.12
Dec 06, 2019	Transfer from TD BASIC BUSINESS PLAN 5218968 JW235		1,000.00	\$1,593.22
Nov 29, 2019	PAPER STMT FEE	3.00		\$593.22
Nov 29, 2019	MONTHLY PLAN FEE	19.00		\$596.22

4/7/2020

Account Activity

Nov 28, 2019	CAD DRAFT 90002320	3,135.26	\$615.22
Nov 26, 2019	CAD DRAFT 90002313	4,818.43	\$3,750.48
Nov 26, 2019	CAD DRAFT 90002312	4,495.03	\$8,568.91
Nov 26, 2019	Transfer from TD EPREMIUM SAVINGS ACCOUNT 6464509 WL551	7,500.00	\$13,063.94
Nov 18, 2019	CAD DRAFT 89779075	28,094.10	\$5,563.94
Nov 18, 2019	Transfer from TD EPREMIUM SAVINGS ACCOUNT 6464509 RQ424	30,000.00	\$33,658.04
Nov 07, 2019	CAD DRAFT 90002203	4,963.00	\$3,658.04
Nov 07, 2019	CAD DRAFT 89590032	24,705.36	\$8,621.04
Nov 07, 2019	Transfer from TD EPREMIUM SAVINGS ACCOUNT 6464509 IQ495	5,000.00	\$33,326.40
Nov 07, 2019	CAD DRAFT 90002195	21,961.98	\$28,326.40
Nov 07, 2019	Transfer from TD EPREMIUM SAVINGS ACCOUNT 6464509 IQ470	25,000.00	\$50,288.38
Nov 07, 2019	CAD DRAFT 90002194	8,717.84	\$25,288.38
Nov 07, 2019	CAD DRAFT 90002196	7,507.50	\$34,006.22
Nov 07, 2019	Transfer from TD EPREMIUM SAVINGS ACCOUNT 6464509 IQ091	25,000.00	\$41,513.72
Nov 07, 2019	Transfer from TD EPREMIUM SAVINGS ACCOUNT 6464509 IG302	15,000.00	\$16,513.72
Nov 06, 2019	CAD DRAFT 90010490	22,463.35	\$1,513.72
Nov 06, 2019	Transfer from TD EPREMIUM SAVINGS ACCOUNT 6464509 HU205	20,000.00	\$23,977.07
Nov 05, 2019	Transfer to TD EPREMIUM SAVINGS ACCOUNT 6464509 WZ023	225,000.00	\$3,977.07
Nov 04, 2019	DRAFT COMMERCIAL	7.50	\$228,977.07
Nov 04, 2019	CAD DRAFT 88209482	10,424.28	\$228,969.57
Nov 01, 2019	CAD DRAFT 88893578	41,969.24	\$239,393.85
Oct 31, 2019	ACCT BAL REBATE	19.00	\$281,363.09
Oct 31, 2019	MONTHLY PLAN FEE	19.00	\$281,344.09
Oct 31, 2019	GC 3052-TRANSFER	250,000.00	\$281,363.09
Oct 28, 2019	Deposit at Branch - 0131	531,363.09	\$531,363.09
Oct 28, 2019	OPEN ACCOUNT	0.00	\$0.00
Total :		\$679,622.52	\$679,561.37

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Get up to \$2500 with a TD Mortgage.

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Conditions apply. Offer ends August 31, 2020

Legal Notes

[Print](#)

Georgian Meadows MZGI 72

Interest Reserve			
Date	Description	Amount	Balance
Dec 16/16	Interest adj amount for Jan 2017 interest	14,135.62	14,135.62
Dec 16/16	Interest adj amount for Jan 2017 interest	74,594.52	88,730.14
Jan1/17	January interest payment	-48,469.63	40,260.51
Apr 27/17	transfer funds to cost reserve	-40,260.51	0.00
01-Jun-17	Tranche A - 3rd Funding Interest funds	142,805.50	142,805.50
01-Jun-17	June 1/17 Interest Payment	-136,596.23	6,209.27
July 1/17	July interest payment	-65,970.90	-59,761.63
30-Jun-17	Funds from June 30/17 Partial Discharge of Unit 28, Level 1	59,761.63	0.00
Aug 9/17	Funds from Tranche A 5th funding - held in Trust for August interest	138,704.16	138,704.16
Aug 15/17	August 210 interest payment	-138,704.16	0.00
Feb 16/18	funs withheld form tranche A 7th funding	755,000.00	755,000.00
Feb 23/18	interest payment to lenders (November 2017 to February 2018)	-601,153.25	153,846.75
March 1/18	March interest payment	-149,041.33	4,805.42
Apr 1/18	transfer from Cost reserve for April interest payment	169,542.61	174,348.03
Apr 1/18	April interest payment	-174,348.03	0.00

Cost Reserve			
Date	Description	Amount	Balance
Dec 16/16	Sorbara Law -Funds held in Trust	513,063.27	513,063.27
Jan 09/17	Partial discharge unit 9,level 1	335,236.50	848,299.77
Jan 09/17	Partial discharge unit 21,level 2	328,438.50	1,176,738.27

Jan 10/17	The City of Barrie permit#16-0481	-272,706.52	904,031.75	ch#4868	
Jan 10/17	AI Guarentee Inc. 5 yr program fee	-314,912.92	589,118.83	ch#4869	
Jan 10/17	Sorbara Law -subsearch fee	-538.56	588,580.27	ch#4872	
Jan 11/17	Partial discharge unit 13,level 1	355,230.49	943,810.76		
Jan 12/17	transfer Admin fees due to MZG Jan 9&11 PD	-750.00	943,060.76	OT#5474919	
Jan 16/17	Partial discharge unit 2	337,222.46	1,280,283.22		
Jan 17/17	Simcoe Trim	-20,000.00	1,260,283.22	MZG Trust ch#	4890
Jan 17/17	Plumbtech	-35,000.00	1,225,283.22	MZG Trust ch#	4886
Jan 17/17	Lafarge	-1,473.81	1,223,809.41	MZG Trust ch#	4902
Jan 17/17	Tomlin	-20,000.00	1,203,809.41	MZG Trust ch#	4888
Jan 17/17	The Brick	-15,000.00	1,188,809.41	MZG Trust ch#	4892
Jan 17/17	MCKick Masonry	-2,124.00	1,186,685.41	MZG Trust ch#	4901
Jan 17/17	Grounded Electrical Services	-5,000.00	1,181,685.41	MZG Trust ch#	4898
Jan 17/17	Bosna	-5,000.00	1,176,685.41	MZG Trust ch#	4900
Jan 17/17	Mack Construction inc.	-5,000.00	1,171,685.41	MZG Trust ch#	4899
Jan 17/17	JM Painting	-10,000.00	1,161,685.41	MZG Trust ch#	4897
Jan 17/17	Macon Construction Corporation	-10,000.00	1,151,685.41	MZG Trust ch#	4896
Jan 17/17	Yard Weasels	-15,000.00	1,136,685.41	MZG Trust ch#	4895
Jan 17/17	Raywall Limited Partnership	-15,000.00	1,121,685.41	MZG Trust ch#	4893
Jan 17/17	Colucci Group	-20,000.00	1,101,685.41	MZG Trust ch#	4891
Jan 17/17	Duncan Drywall	-20,000.00	1,081,685.41	MZG Trust ch#	4889
Jan 17/17	Priority Mechanical Services Ltd.	-20,000.00	1,061,685.41	MZG Trust ch#	4887
Jan 17/17	Nezz Electrical	-40,000.00	1,021,685.41	MZG Trust ch#	4885
Jan 17/17	Sorbaralaw - subsearch fee	-590.99	1,021,094.42		
Jan 17/17	Sorbara Law partial discharge unit 19, level 1	337,216.45	1,358,310.87		
Jan 17/17	Sorbara Law partial discharge unit 4, level 2	335,216.45	1,693,527.32		
Jan 17/17	Due to MZG - admin fee unit 19, level 1	-250.00	1,693,277.32	OT#4607325	
Jan 17/17	Due to MZG - deferred lender fee unit 19, level 1	-7,315.00	1,685,962.32	OT#4607288	
Jan 17/17	Due to MZG - admin fee unit 4, level 2	-250.00	1,685,712.32	OT#4607269	
Jan 17/17	Due to MZG - deferred lender fee unit 4, level 2	-7,315.00	1,678,397.32	OT#4607209	
Jan 18/17	Due to MZG - admin fee Jan 16/17 Partial discharge	-250.00	1,678,147.32	MZG Trust J#325	
Jan 18/17	Due to MZG - deferred lender fee Jan 16/17 Partial discharge	-7,315.00	1,670,832.32	MZG Trust J#325	
Jan 18/17	Due to MZG - deferred lender fee Jan 9 & 11/17 Partial discharge	-21,945.00	1,648,887.32	MZG Trust J#325	
Jan 24/17	Sorbara law partial discharge unit 6	335,260.12	1,984,147.44		
Jan 24/17	Due to MZG - deferred lender fee unit 6	-7,315.00	1,976,832.44	OT#4640982	

Jan 24/17	Due to MZG - admin fee unit 6	-250.00	1,976,582.44	OT#4641017
Jan 25/17	Sorbara Law partial discharge unit 24, level 1	348,449.42	2,325,031.86	
Jan 25/17	Due to MZG - deferred Lender fee unit 24	-7,315.00	2,317,716.86	OT#4643202
Jan 25/17	Due to MZG - admin fee unit 24	-250.00	2,317,466.86	OT#4643188
Feb 1/17	February interest payment	-136,596.23	2,180,870.63	
Feb 6/17	Sorbara Law partial discharge unit 20	355,200.87	2,536,071.50	
Feb 6/17	Due to MZG - deferred Lender fee unit 20	-7,315.00	2,528,756.50	OT#4715923
Feb 6/17	Due to MZG - admin fee unit 20	-250.00	2,528,506.50	OT#4715938
Feb 9/17	Nezz Electrical	-60,000.00	2,468,506.50	ch#4937
Feb 21/17	Fernwood Developments - Positive Pay account	-290,000.00	2,178,506.50	Wire #17022137729791
Feb 21/17	Sorbara Law subsearch fee F#68575	-519.46	2,177,987.04	ch#4949
Feb 23/17	AI Guarentee Inc. 5 yr program fee	-287,920.61	1,890,066.43	ch#4952
Feb 23/17	Fernwood Developments - BMO Positive Pay account	-312,069.00	1,577,997.43	Wire#17022337763262
Feb 23/17	Fernwood Developments - RBC Tarion Security	-600,000.00	977,997.43	Wire#17022337763097
Feb 23/17	Sorbara Law - subsearch fee	-519.46	977,477.97	ch#4953
Feb 23/17	Draw fee due to MZG Inc	-250.00	977,227.97	
Mar 1/17	March interest payment	-123,377.24	853,850.73	
Mar 3/17	Funds transferred to Positive Pay acct to cover \$27k to Federated Ins	-30,000.00	823,850.73	OT#4868239
Mar 6/17	City of Barrie - Development charges for Block 4	-316,466.17	507,384.56	Paid ch#4967
Mar 6/17	Funds transferred to Positive Pay acct to cover Property taxes and W	-30,871.14	476,513.42	OT#4880837
Mar 7/17	Glynn Group Inc. Invoices #216516, 216621, 217115	-12,264.91	464,248.51	Paid ch#4968
Mar 7/17	Funds from March 7/17 partial discharge unit 12, level 1	340,573.94	804,822.45	
Mar 9/17	Sorbara Law invoice for March 3rd subsearch	-522.85	804,299.60	Paid ch#4974
Mar 9/17	Sorbara Law invoice for March 6th subsearch	-519.81	803,779.79	Paid ch#4974
Mar 9/17	Due to MZG - draw fee March 6th draw	-250.00	803,529.79	OT#4900928
Mar 10/17	Funds from March 10/17 partial discharge unit 16, level 1	355,228.47	1,158,758.26	
Mar 13/17	Fernwood Developments - BMO Positive Pay account	-77,814.77	1,080,943.49	
	Royal City bookkeeping \$7,152.91		1,080,943.49	
	Priority Mechanical \$55,000.00		1,080,943.49	
	Tomlin Industries \$15,661.86		1,080,943.49	
Mar 15/17	Sorbara Law invoice for March 15th subsearch	-519.46	1,080,424.03	Paid ch#4979
Mar 15/17	Due to MZG - draw fee March 15th draw	-250.00	1,080,174.03	OT#4930815
Mar 24/17	Fernwood Developments - BMO Positive Pay account	-140,641.41	939,532.62	
	Macon Construction Corporation \$45,000.00		939,532.62	

	Grounded Electrical Services \$20,000.00		939,532.62
	Rudy Mack Surveying \$2,789.00		939,532.62
	Tornlin Industries \$17,899.20		939,532.62
	Alps Roofing \$2,000.00		939,532.62
	Federated Insurance \$27,953.21		939,532.62
	Wolfenden Construction Inc. \$25,000.00		939,532.62
Mar 24/17	Sorbaralaw - Subsearch Fee for March 24/17 draw	-519.46	939,013.16
Apr 1/17	April interest payment	-136,596.23	802,416.93
Apr 6/17	Fernwood Developments - BMO Positive Pay account	-131,500.00	670,916.93
	Wolfenden Construction Inc. \$25,000.00		670,916.93
	Nezzz Electrual		670,916.93
	Grounded Electrical		670,916.93
	Priority Mechanical		670,916.93
	Plumbtech		670,916.93
	Misc. Costs		670,916.93
Apr 6/17	Sorbara law invoice for April 6th subsearch	-250.00	670,666.93
Apr 6/17	Due to MZG - draw fee April 6th draw	-519.46	670,147.47
Apr 21/17	Fernwood Developments - BMO Positive Pay account	-41,768.35	628,379.12
	Raywall Limited Partnership		628,379.12
Apr 21/17	Sorbara law invoice for April 21st subsearch	-519.46	627,859.66
Apr 21/17	Due to MZG - draw fee April 21st draw	-250.00	627,609.66
Apr 26/17	Funds from Sorbara Law	600.00	628,209.66
Apr 27/17	transfer funds from interest resserve to cost reserve	40,260.51	668,470.17
Apr 27/17	Fernwood Developments - BMO Positive Pay account	-234,695.80	433,774.37
	Wolfenden Construction Inc. \$25,000.00		433,774.37
	The Brick \$125,216.76		433,774.37
	Plumbtech \$36,979.04		433,774.37
	Fernwood - Project overhead		433,774.37
	Jordon \$10,000.00		433,774.37
	Rudi \$10,000.00		433,774.37
	Kristianna \$8,000.00		433,774.37
	Mel \$6,000.00		433,774.37
	Chris \$5,000.00		433,774.37
	Expenses \$7,000.00		433,774.37

OT#5066545

		Site Expenses \$1,500.00		433,774.37	
Apr 27/17	City of Barrie - property taxes		-5,870.00	427,904.37	
Apr 27/17	Sorbara Law invoice for April 27th subsearch		-519.46	427,384.91	
Apr 27/17	Due to MZG - draw fee April 27th draw		-250.00	427,134.91	
May 1/17	May interest payment		-132,189.90	294,945.01	
May 12/17	Fernwood Developments - BMO Positive Pay account		-153,022.69	141,922.32	OT#5287261
	Nezzz Electrical \$16,314.38			141,922.32	
	Grounded Electrical \$16,313.81			141,922.32	
	Wolfenden Construction Inc. \$41,086.80			141,922.32	
	Tomlin - Block 3 tubs \$15,661.80			141,922.32	
	Tomlin - Block 3 glass doors \$12,497.80			141,922.32	
	Gerogian Waste \$1,935.69			141,922.32	
	Apis Roofing \$5,245.11			141,922.32	
	Simcoe Building Supply \$30,000.00			141,922.32	
	Duncan drywall \$13,967.30			141,922.32	
May 12/17	Sorbara Law i for May 12th draw - subsearch		-519.46	141,402.86	
May 12/17	Due to MZG - draw fee May 12th draw		-250.00	141,152.86	
May 26/17	Fernwood Developments - May 26th draw to pay trades (positive pa		-140,000.00	1,152.86	OT#5368119
May 26/17	Sorbara Law invoice for May 26th draw - subsearch		-519.46	633.40	ch#5026
May 26/17	Due to MZG - draw fee May 16th draw		-250.00	383.40	OT#5368329
01-Jun-17	Tranche A - 3rd Funding funds held in reserve		354,089.13	354,472.53	
01-Jun-17	Fernwood Developments - June 01/17 draw to pay trades (positive p		-338,699.29	15,773.24	OT#163412
02-Jun-17	Fernwood Developments - June 01/17 draw to pay trades (positive p		-15,389.84	383.40	OT#153351
16-Jun-17	Funds from June 16/17 partial discharge unit 26, level 1 & unit 27, le		113,769.46	114,152.86	
23-Jun-17	Sorbara Law invoice for June 16/17 draw - subsearch		-519.46	113,633.40	Chq# 5035
23-Jun-17	Due to MZG - draw fee June 16/17 draw		-250.00	113,383.40	OT#5527037
23-Jun-17	Fernwood Developments - BMO Positive Pay account		-113,000.00	383.40	OT#5519479
	Nationwide Rentsure \$113,000.00			383.40	
30-Jun-17	Funds from June 30/17 Partial Discharge of Unit 28, Level 1		277,280.18	277,663.58	
07-Jul-17	Fernwood Developments - BMO Positive Pay account		-276,894.12	769.46	
	Payables			769.46	
07-Jul-17	Sorbaralaw for July 7th draw - subsearch		-519.46	250.00	
07-Jul-17	Due to MZG - draw fee July 7th draw		-250.00	0.00	
14-Jul-17	Tranche A - 4th Funding funds held in trust		499,360.43	499,360.43	

14-Jul-17	Fernwood Developments - BMO Positive Pay account		-494,847.55	4,512.88	
		Payables		4,512.88	
14-Jul-17	Sorbaralaw for July 14th draw - subsearch		-519.46	3,993.42	
14-Jul-17	Glynn Group - partial payment of outstanding invoices		-3,993.42	0.00	
Aug 9/17	Funds held in trust for Glynn Group Invoices #217238/217360/21741		11,709.17	11,709.17	
Aug 14/17	Glynn Group invoices #21738, 217360, 217416		-11,709.17	0.00	
Sept 5/17	funds from partial discharge units 32,7,17,29		1,054,517.51	1,054,517.51	
Sept 5/17	September interest payment		-146,332.79	908,184.72	
Sept 7/17	Funds due to MZG for deferred lender fee - March 10/17 - unit 16		-7,315.00	900,869.72	OT#6060489
Sept 7/17	Funds due to MZG for admin fee - March 10/17 - unit 17		-250.00	900,619.72	OT#6060501
	15-Sep-17	Fernwood Developments - BMO Positive Pay account	-38,544.39	862,075.33	OT#6123541
		Payables		862,075.33	
Sept 15/17	Sorbara Law - subsearch fee for Sept 15th draw		-555.23	861,520.10	ch#5096
Sept 15/17	Draw fee due to MZG Inc		-250.00	861,270.10	OT#612683
Sept 18/17	Funds from partial discharge - units 23 and 55		290,151.72	1,151,421.82	
	29-Sep-17	Fernwood Developments - BMO Positive Pay account	-1,006,695.86	144,725.96	OT#6246186
		Payables		144,725.96	
	29-Sep-17	Draw fee due to MZG Inc	-250.00	144,475.96	OT#6246254
Oct 1/17	October interest payment		-143,956.50	519.46	
Oct 2/17	Sorbara Law - subserch fee for Sept 29/17 draw		-519.46	0.00	ch#5106
Dec 20/17	funs held in Trust from Tranche A-6th funding		216,922.12	216,922.12	
Dec 20/17	Smith Valeriotte Law Firm LLP - deposit replacement		-80,000.00	136,922.12	Wire#17122040838923
Dec 20/17	Nationwide Rentsure invoice #1017006		-136,789.66	132.46	Wire#17122040839004
March 27/18	funds held in Trust form March 26th partial discharge of 9 units		2,582,146.74	2,582,279.20	
March 28/18	funds held in Trust form March 27th partial discharge of 1 units		289,665.78	2,871,944.98	
Apr 1/18	Transfer April interest payment to interest reserve		-169,542.61	2,702,402.37	
Apr 5/18	funds held in Trust form April 5th partial discharge of unit 84		309,348.88	3,011,751.25	
Apr 6/18	Transfer to positive pay account		-258,546.40	2,753,204.85	
Apr 9/18	Sorbara Law invoice - subserch for positive pay account transfer Apr		-556.02	2,752,648.83	Paid c#5211
Apr 20/18	Transfer to positive pay account		-167,219.87	2,585,428.96	
Apr 20/18	due to MZG - draw fee		-250.00	2,585,178.96	
Apr 20/18	due to Sorbara - subsearch		-556.02	2,584,622.94	
Apr 25/18	Renewal fee		-192,637.81	2,391,985.13	
May 1/18	May interest payment		-168,723.90	2,223,261.23	

May 11/18	draw to positive pay account	-802,907.13	1,420,354.10	OT#8656813
June 1/18	June interest payment	-174,348.03	1,246,006.07	

APPENDIX K

Rental Income Program Fees (pre-HST) for Blocks 1-6	\$ 2,040,948.00	
Plus, HST	\$ 265,323.24	
Sub-Total	\$ 2,306,271.24	
Plus, Keller Williams Settlement Fee (no HST)	\$ 1,000,000.00	
Total Program and Settlement Fees (incl. HST)	\$ 3,306,271.24	
	Invoice Amount	Invoice #
Invoices issued from Nationwide Rentsure Canada Corp. 2017-09-15	\$ 102,841.50	170912
Invoices issued from Nationwide Rentsure Canada Corp.2017-09-15	\$ 72,283.22	170913
Invoices issued from Nationwide Rentsure Canada Corp.2017-09-28	\$ 13,589.43	917012
Invoices issued from Nationwide Rentsure Canada Corp.2017-10-27	\$ 136,789.66	1017006
Invoices issued from Nationwide Rentsure Canada Corp.2018-05-04	\$ 403,783.50	1805004
Invoices issued from Pensio Property Management 2018-08-27	\$ 974,150.40	1808022
Invoices issued from Ai Guarantee Inc 2016-12-15	\$ 314,912.92	214523
Invoices issued from Ai Guarantee Inc 2017-01-30	\$ 287,920.61	214524
Invoices issued from Nationwide Rentsure Canada Corp 2018-09-01	\$ 1,000,000.00	1809001
Total invoices	\$ 3,306,271.24	
Less, Payments against account:		
	Tuesday, January 10, 2017 -	\$ 314,912.92
	Thursday, February 23, 2017 -	\$ 287,920.61
	Monday, June 19, 2017 -	\$ 113,000.00
	Friday, September 29, 2017 -	\$ 175,124.72
	Monday, November 6, 2017 -	\$ 136,789.66
	Friday, May 11, 2018 -	\$ 373,654.00
Payments Sub-Total	-	\$ 1,401,401.91
	DUE AND PAYABLE	\$ 1,904,869.33
Rents collected from tenants by Pensio - June 2017 to April 2018	-\$ 345,970.00	
Rents collected from tenants by Pensio - May 2018 to Feb 2020	-\$ 1,217,275.00	
Less, Rents collected from tenants by Pensio Sub-Total	-\$ 1,563,245.00	
Payments By Nationwide to Fernwood on Oct 02, 2017	\$ 5,000.00	
Payments By Nationwide to Fernwood on Oct 31, 2017	\$ 50,000.00	
Payments By Nationwide to Fernwood on Jun 21, 2017	\$ 25,000.00	
Payments By Nationwide to Fernwood on Jul 25, 2017	\$ 3,250.00	
Payments By Rent Guarantee to Fernwood on Jul 25, 2017	\$ 34,615.00	
Plus, Payments to Fernwood Sub-Total	\$ 117,865.00	
Plus, Property management fee 6% on Rent collected (Jun 2017-Feb 2020) Inc. HST	\$ 105,988.01	
Utilities paid on behalf of Ferwood	\$ 10,085.62	
September Turnover fee (Cleaning, Painting and Mattress charged)	\$ 11,995.00	
Rogers bill paid on behalf of Ferwood on Sep 27, 2019	\$ 5,209.00	
Rogers bill paid on behalf of Ferwood on Oct 02, 2019	\$ 4,679.71	
Rogers bill paid on behalf of Ferwood on Feb 02, 2020	\$ 1,500.00	
Plus,Payments paid on behalf of Ferwood Sub-Total	\$ 33,469.33	
Less, Credit for Block 1 & 2 Sales adjustment from \$449,000 to \$399,000	-\$ 108,480.00	
GRAND TOTAL DUE AND PAYABLE	\$ 490,466.67	

APPENDIX L

Subject: RE: Georgian Towns - School House

Date: Thursday, February 28, 2019 at 2:53:09 PM Eastern Standard Time

From: Murray Snedden

To: John Hamilton

CC: Sean Atkinson, Cecil Hayes, Brandon Keks, kristen@pensiogroup.com, Jim Milankov, Michael Sheppard, Greg Zehr, David Marshall, Jana Mirt

John,

I think we want to proceed on the basis previously discussed and effectively have the Project benefit from the rental income bond.

That said, we'll consider APSs with deposits at the \$449K price point as they are presented.

Thanks.

MarshallZehr

Murray Snedden CPA, CMA, CMC
Chief Financial Officer & Principal Broker

T 519 342 1000 X 232

C 416 996 1778

marshallzehr.com | [email](mailto:murray@marshallzehr.com)

Principal Broker

MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453

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From: j.hamilton <j.hamilton@pensioglobal.com>

Sent: Thursday, February 28, 2019 12:42 PM

To: Murray Snedden <msnedden@marshallzehr.com>

Cc: Sean Atkinson <satkinson@marshallzehr.com>; Cecil Hayes <chayes@marshallzehr.com>; b.keks@pensioglobal.com; kristen@pensiogroup.com; j.milankov@pensioglobal.com; m.sheppard@pensioglobal.com; Greg Zehr <gzehr@marshallzehr.com>; David Marshall <dmarshall@marshallzehr.com>; Jana Mirt <jmirt@marshallzehr.com>

Subject: RE: Georgian Towns - School House

Murray

I just left you a voice mail. There are sales from the investors at 449000. Do you want us to proceed with APS.

Please advise

Kind regards,

John Hamilton | Managing Principal

Pensio Global

m: +1 (647) 640-6606

e: j.hamilton@pensioglobal.com

w: pensioanagement.ca

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----- Original message -----

From: j.hamilton@pensioglobal.com

Date: 2019-02-27 11:37 AM (GMT-05:00)

To: 'Murray Snedden' <msnedden@marshallzehr.com>

Cc: 'Sean Atkinson' <satkinson@marshallzehr.com>, 'Cecil Hayes' <chayes@marshallzehr.com>, b.keks@pensioglobal.com, kristen@pensiogroup.com, j.milankov@pensioglobal.com, m.sheppard@pensioglobal.com, 'Greg Zehr' <gzehr@marshallzehr.com>, 'David Marshall' <dmarshall@marshallzehr.com>, 'Jana Mirt' <jmirt@marshallzehr.com>

Subject: RE: Georgian Towns - School House

Murray

I will have the property then removed from the market. There is an outstanding account that needs to be paid. The rents collected have been used under agreement to offset our unpaid fees.

I will have our team as we have in the past provide you with a reconciliation and please let us know when we can expect payment for the balance or continue to reduce our unpaid fees.

I agree with your assumption. This is the offset to unsaleable units.

I am available tomorrow to discuss.

John

From: Murray Snedden <msnedden@marshallzehr.com>

Sent: February 27, 2019 11:15 AM

To: j.hamilton@pensioglobal.com

Cc: Sean Atkinson <satkinson@marshallzehr.com>; Cecil Hayes <chayes@marshallzehr.com>; b.keks@pensioglobal.com; kristen@pensiogroup.com; j.milankov@pensioglobal.com; m.sheppard@pensioglobal.com; Greg Zehr <gzehr@marshallzehr.com>; David Marshall <dmarshall@marshallzehr.com>; Jana Mirt <jmirt@marshallzehr.com>

Subject: RE: Georgian Towns - School House

John,

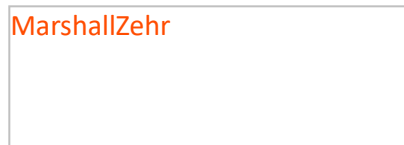
We have had several discussions in our shop on how to proceed on this file. Here's what we have decided:

- We don't want to continually chase the market down and crystalize our lenders losses and as such we have decided to no longer try and sell these units.
- We would rather have our lenders benefit from the insured rental income you are trying to sell to investors. We will wait until a more opportune time to sell these units into the market.
- Our lenders will have to address the cost to complete the remaining 32 units (block 1 and block 2) and they will become occupiable shortly.
- Rudi will remain as the owner to avoid additional costs until such time as this no longer makes sense.

Our understanding is that the rents collected have been used to offset the costs of the insurance premiums. We need to work through the accounting since the outset of the agreements in June 1, 2018 to arrive at a suitable starting point.

Who should be work with the address the various logistics associated with the course of action?

Thank you.



Murray Snedden CPA, CMA, CMC
 Chief Financial Officer & Principal Broker
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 C 416 996 1778
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Principal Broker

MarshallZehr Group Inc. | Mortgage Administration #11955 | Mortgage Brokerage #12453

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From: j.hamilton@pensioglobal.com <j.hamilton@pensioglobal.com>

Sent: Monday, February 25, 2019 7:36 AM

To: Sean Atkinson <satkinson@marshallzehr.com>; Murray Snedden <msnedden@marshallzehr.com>; Cecil Hayes <chayes@marshallzehr.com>

Cc: 'Brandon Keks' <b.keks@pensioglobal.com>; 'Kristen Young' <kristen@pensiogroup.com>; 'Jim Milankov' <j.milankov@pensioglobal.com>; 'Michael Sheppard' <m.sheppard@pensioglobal.com>

Subject: Georgian Towns - School House

Century 21 had an open house last weekend which had roughly 50 people attend. They had appointments booked but could not close any sales. They have expressed that an issue has been the unit listed on MLS for 389k. I have told them that this unit does not come with our rental income protection program and to make sure to pass this on to their investors and agents. They are going to continue marketing the project this week and are planning a sales event here in Toronto this week. The issue remains to be historical. We can get the people to the site but we cannot overcome historical pricing on units (Keller Williams) and independent sales being listed at \$389,000. We had sales events on other properties and had no issue with selling inventory in the past week.

This past week our group have again reached out to investor groups, brokerages, and agents. Royal Star has

indicated they would like to relaunch School House and Michael has a meeting with them again on Monday.

I spoke with Terry Hepisch from HOS who has a single buyer, we have been for sometime advising you about. I was advised the delay in getting the offer from the single buyer was health related. I advised Terry on Friday that we would accept the offer. He indicated he would be in a position to discuss the offer after Wed, he is travelling.

We have worked hard to promote this property. We have dealt with critical lack of parking, there are only 1 space for each rentable unit in 4. We have re-organised the actual income to allow for college student residency (which unlike university student residency) is generally no longer than 1 full year, while university residency is 2 to 3 years. We have been able to manage a solution that will be introduced for the new blocks when released. 8 month leases September to May, the balance of term will be put into our unique stay platform. We successfully test marketed this last summer and it was indicative that it worked to offset college term residency stay shortfalls not expected when we underwrite this property.

The issue is, we can get the people there, but once they go on line they find historical pricing that is \$70,000 less than our pricing. The cash flow restructuring allowed us to give somewhat a more stabilised return.

I believe the best approach is to lower the pricing to \$399,000 per unit. Get them sold. That is price of \$389 a foot. \$34 a foot above market. The financial issues of the site and the developer cannot get in the way of what is marketable. Our program can be successful even at \$34 a foot above market.

We will of course suggest that you wait to see the outcome of the HOS buyer and the attempt to sell again this week.

Please advise.

Kind regards,



John Hamilton | Managing Principal
Pensio Global

m: +1 (647) 640-6606

e: j.hamilton@pensioglobal.com

w: pensioanagement.ca

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APPENDIX M

From: [Brandon Keks](#)
Sent: Wednesday, April 15, 2020 2:04 PM
To: [Dhanani, Arif](#)
Cc: [Tannenbaum, Bryan](#); [Mohnish Aggerwal](#); Jeff.Larry@paliaroland.com
Subject: Re: April Rent
Attachments: Pensio Fernwood Deposit Reconciliation and Offset 20200414.xlsx

Hi Arif,

The review of our accounting and agreements has been completed. Please see the attached reconciliation for Fernwood units including up-to-date tenant deposit information.

Pensio has forwarded any April rents inadvertently sent by tenants to Pensio on to the Receiver and as such, Pensio is not holding any funds received since the termination of the Pensio Property Management Agreement by the Receiver.

As of the date of the reconciliation, Pensio was owed \$490,466.67 which includes \$339,132.34 in program fee in addition to \$151,334.33 in carrying costs and other advances, including advances for Rogers bills, other utilities, turnover fees, loans and other payments (see further below and attached). Pensio has applied the \$33,545 in rental deposits for Fernwood units against the amount owed, pursuant to the agreement and section 11 of the LOA which states that the Guarantor has the right of set off against rent payable by the Guarantor to the purchaser any and all amounts owing by the Purchaser to the Guarantor or with respect to the Unit from time to time. After offset of deposits, the total amount still owing is \$456,921.67.

In addition to the above, I note that the March Property Management invoice of \$3,286.94 is also past due.

Amount Owed to Pensio EXCLUSIVE of Program Fees	\$ 151,334.33
Fernwood Unit Deposits Held by Pensio	\$ 33,545.00
Offset amount owed not including program fees	\$ 117,789.33

Amount Owed to Pensio INCLUSIVE of Program Fees	\$ 490,466.67
Fernwood Unit Deposits Held by Pensio	\$ 33,545.00
Offset amount owed including Program fees	\$ 456,921.67

Payments By Nationwide to Fernwood on Oct 02, 2017	\$ 5,000.00	
Payments By Nationwide to Fernwood on Oct 31, 2017	\$ 50,000.00	
Payments By Nationwide to Fernwood on Jun 21, 2017	\$ 25,000.00	
Payments By Nationwide to Fernwood on Jul 25, 2017	\$ 3,250.00	
Payments By Rent Guarantee to Fernwood on Jul 25, 2017	\$	34,615.00
Payments to Fernwood Sub-Total	\$ 117,865.00	
Utilities paid on behalf of Fernwood	\$ 10,085.62	
September Turnover fee (Cleaning, Painting and Mattress charged)	\$ 11,995.00	
Rogers bill paid on behalf of Fernwood on Sep 27, 2019	\$ 5,209.00	
Rogers bill paid on behalf of Fernwood on Oct 02, 2019	\$ 4,679.71	
Rogers bill paid on behalf of Fernwood on Feb 02, 2020	\$ 1,500.00	
Additional Payments paid on behalf of Fernwood Sub-Total	\$ 33,469.33	
Total	\$	151,334.33

Kind regards,

Brandon Keks | CEO
Pensio Global

m: +1 (416) 843-9010
e: b.keks@pensioglobal.com
w: pensioanagement.ca
w: pensioqpower.com

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From: "Dhanani, Arif" <arif.dhanani@rsmcanada.com>
Date: Tuesday, April 14, 2020 at 10:06 AM
To: Brandon Keks <b.keks@pensioglobal.com>
Cc: "Tannenbaum, Bryan" <bryan.tannenbaum@rsmcanada.com>, Mohnish Aggerwal <maggerwal@subhkin.com>, "Jeff.Larry@paliareroland.com" <Jeff.Larry@paliareroland.com>
Subject: RE: April Rent

Good Morning Brandon,

I am writing further to your message below of April 7, 2020. I confirm that I have not received any reconciliation from Pensio, nor have any of the deposits held by Pensio been sent to the Receiver.

Can you please provide us with an update?

Regards,

Arif

Arif Dhanani
Vice President

RSM Canada Limited
11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7
D: 647.725.0183 F: 416.480.2646 I E: arif.dhanani@rsmcanada.com I W: www.rsmcanada.com



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COVID-19 – instructions for submitting client records:

In response to national, provincial and local COVID-19 guidance, RSM employees are working remotely and we are limiting access to our offices until further notice to protect the health and safety of our clients, employees and communities. **We strongly encourage you to submit your records electronically, if possible.** If you are unable to do so, essential services staff are available at the office to receive deliveries of client records by courier. If you need to drop off records in-person, please call our office at +1.416.480.0160 to ensure someone will be available to receive you.

RSM can help you stay informed with the latest insights, ideas and countermeasures to minimize the negative effects related to COVID-19, as well as prepare for future emergency events at our [COVID-19 Resource Centre](#).

From: Brandon Keks <b.keks@pensioglobal.com>
Sent: Tuesday, April 7, 2020 4:14 PM
To: Dhanani, Arif <arif.dhanani@rsmcanada.com>
Cc: Tannenbaum, Bryan <bryan.tannenbaum@rsmcanada.com>; Mohnish Aggerwal <maggerwal@subhkin.com>; Jeff.Larry@paliareroland.com
Subject: Re: April Rent

Hi Arif,

We should have the accounting completed tomorrow. In addition to working remote, I also now have staff that are self-isolating due to illness.

I can confirm though that all April rents have been returned to the few tenants that paid Pensio inadvertently. To be clear, we are not holding any April rents.

Kind regards,

Brandon Keks | CEO
Pensio Global

m: +1 (416) 843-9010
e: b.keks@pensioglobal.com
w: pensiomanagement.ca
w: pensiopower.com

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From: "Dhanani, Arif" <arif.dhanani@rsmcanada.com>
Date: Monday, April 6, 2020 at 9:48 AM
To: Brandon Keks <b.keks@pensioglobal.com>
Cc: "Tannenbaum, Bryan" <bryan.tannenbaum@rsmcanada.com>, Mohnish Aggerwal <maggerwal@subhkin.com>, "Jeff.Larry@paliareroland.com" <Jeff.Larry@paliareroland.com>
Subject: RE: April Rent

Brandon,

No, I have not made the property management fee payment. I advised you last week that I want the accounting and remittance of the deposits for last months' rent from Pensio. I further advised that it is pointless for the Receiver to pay Pensio approximately \$3,000 when Pensio is holding in excess of \$50,000 and now April rents that need to be remitted to the Receiver. I'm not sure why this doesn't make sense to you.

When will I have the accounting and remittance for the deposits and any April rents collected by Pensio?

Regards,

Arif

Arif Dhanani
Vice President

RSM Canada Limited
11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7
D: 647.725.0183 F: 416.480.2646 | E: arif.dhanani@rsmcanada.com | W: www.rsmcanada.com



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From: Brandon Keks <b.keks@pensioglobal.com>
Sent: Monday, April 6, 2020 9:42 AM
To: Dhanani, Arif <arif.dhanani@rsmcanada.com>
Cc: Tannenbaum, Bryan <bryan.tannenbaum@rsmcanada.com>; Mohnish Aggerwal <maggerwal@subhkin.com>; Jeff.Larry@paliareroland.com
Subject: Re: April Rent

I wasn't aware of this. Looks like an auto generated notice that was not turned off in Yardi. I will make sure this ceases immediately. All tenants have previously been notified of end of their management by Pensio and the new pm contact and that any April rents paid have been returned.

Have you made the March pm payment yet?

Kind regards,

Brandon Keks | CEO
Pensio Global

m: +1 (416) 843-9010
e: b.keks@pensioglobal.com

W: pensiomanagement.ca

W: pensiopower.com

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On Apr 6, 2020, at 9:38 AM, Dhanani, Arif <arif.dhanani@rsmcanada.com> wrote:

Brandon,

I understand that Pensio continues to send emails to tenants in Fernwood owned units and that many of them have paid April rent to Pensio. An example of one of these emails is set out below. We request that Pensio discontinue sending emails to the tenants in the Fernwood owned units as it has no right to do so. The Receiver will require an accounting and reconciliation of same and turnover of those funds to the Receiver by Pensio. Please advise when this will be done.

<image005.jpg>

Thanks,

Arif

Arif Dhanani
Vice President

RSM Canada Limited

11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7

D: 647.725.0183 F: 416.480.2646 | E: arif.dhanani@rsmcanada.com | W: www.rsmcanada.com

<image001.png>

<image002.jpg>

<image003.png>

<image004.jpg>

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APPENDIX N

PALIARE ROLAND

B A R R I S T E R S

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
Danielle Glatt
Lauren Pearce
Elizabeth Rathbone
Daniel Rosenbluth
Glynnis Hawe
Emily Home
Hailey Bruckner
Charlotté Calon
Shawna Leclair

COUNSEL

Stephen Goudge, Q.C.

HONORARY COUNSEL

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

Jeffrey Larry

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

File 97267

April 28, 2020

Via email

Brandon Keks
Chief Executive Officer
Pensio Global

Dear Mr. Keks:

Re: Fernwood Developments (Ontario) Corporation ("Fernwood")

We are independent counsel to RSM Canada Limited, the court appointed receiver of Fernwood (the "Receiver").

We have reviewed with the Receiver your April 15, 2020 email to Arif Dhanani and the enclosed reconciliation.

Without commenting at this time on the validity of any of the other claims or figures in your email and reconciliation, we advise that Pensio had no right to set-off the \$33,545 of rental deposits (the "Deposits") that it received on behalf of Fernwood.

Pensio received the Deposits in trust for Fernwood. Accordingly, Pensio had no right to apply a set-off in the circumstances, notwithstanding any purported right to set off in any agreement between Fernwood and Pensio.

The set-off is also precluded by the express terms of the initial receivership order made February 12, 2020 (the "Initial Order") which provides at paragraph 10 that all rights or remedies against Fernwood's "Property" are stayed and suspended. The Deposits are clearly Property within the broad definition set out in paragraph 2 of the Initial Order. I enclose a copy of the Initial Order for your reference.

We ask that you immediately remit to the Receiver the amount of the Deposits, less the \$3,286.94 that Pensio is owed for property management for March 2020.

Finally, I am copying Judy Hamilton who I understand is your counsel. Should you or Ms. Hamilton have any questions, do not hesitate to reach out to me or the Receiver.

Yours very truly,
PALIARE ROLAND ROSENBERG ROTHSTEIN LLP



Jeffrey Larry

c. J. Hamilton
B. Tannenbaum/A. Dhanani

Doc 3301422 v1

APPENDIX O

Dhanani, Arif

From: Brandon Keks <b.keks@pensioglobal.com>
Sent: Monday, May 25, 2020 2:34 PM
To: Jeff.Larry@paliaroland.com; JH@friedmans.ca
Cc: Dhanani, Arif; Tannenbaum, Bryan
Subject: Re: Fernwood
Attachments: Fernwood Units Rent Deposit Report RSM 13052020.xlsx

Hi Jeff,

Attached is our updated reconciliation of the Fernwood units Last Months Rents (LMR) based on the e-files held in our possession.

We had issues completing the review as complete tenant files were left on-site in a locked cabinet when the property was turned over to the Receivers property manager. We have not had access, and have been advised the files are missing or unavailable.

Based on the attached, the below amount of LMR will be forwarded to RSM, notwithstanding the conflict issue between RSM and the secured creditor (Marshall Zehr) taking on the liability to pay our fees, which are still outstanding in the approx. amount of \$448,847.

Rent Deposit Held by Pensio	\$33,595.00
Offset Default Rent	\$925.00
Rent Deposit Due After Offset Default Rent	\$32,670.00
PM fees owed to Pensio	\$3,286.94
LMR To be sent to Receiver	\$29,383.06

We still require our legal counsel to review, but Pensio will transfer the balance LMR amount to their trust account, and then counsel will forward to RSM under separate cover.

Kind regards,

Brandon Keks | CEO

Pensio Global

m: +1 (416) 843-9010
e: b.keks@pensioglobal.com
w: pensiomanagement.ca
w: pensiopower.com

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From: "Jeff.Larry@paliareroland.com" <Jeff.Larry@paliareroland.com>
Date: Wednesday, May 13, 2020 at 2:51 PM
To: Brandon Keks <b.keks@pensioglobal.com>, "JH@friedmans.ca" <JH@friedmans.ca>
Cc: "arif.dhanani@rsmcanada.com" <arif.dhanani@rsmcanada.com>, "Bryan.Tannenbaum@rsmcanada.com" <Bryan.Tannenbaum@rsmcanada.com>
Subject: FW: Fernwood

Brandon

Can I please hear from you promptly on my letter (attached again for your reference).

From: Jeff Larry
Sent: April 28, 2020 3:51 PM
To: 'b.keks@pensioglobal.com' <b.keks@pensioglobal.com>
Cc: 'Judy Hamilton' <JH@friedmans.ca>; Bryan A. Tannenbaum (Bryan.Tannenbaum@rsmcanada.com) <Bryan.Tannenbaum@rsmcanada.com>; 'Dhanani, Arif' <arif.dhanani@rsmcanada.com>
Subject: Fernwood

Please see attached.

Jeffrey Larry, LL.B, MBA
Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
t: 416.646.4330
f: 416.646.4301
c: 416 553 2789
e: jeff.larry@paliareroland.com

APPENDIX P

Dhanani, Arif

From: Sam P. Rappos <samr@chaitons.com>
Sent: Tuesday, June 16, 2020 8:56 PM
To: Lisa Gazzola
Cc: Elizabeth Pillon (lpillon@stikeman.com); Dhanani, Arif
Subject: Fernwood Developments (Ontario) Corporation
Attachments: RE In the Matter of the Court-appointed Receivership of Fernwood Developments (Ontario) Corporation; DOCS-#4699230-v1-MZ_Fernwood_-_Receivership_Order_dated_February_12__2020.PDF

Importance: High

Lisa,

We write to you further to our exchange of correspondence earlier this year. As you may recall, we represent RSM Canada Limited in its capacity as Court-appointed Receiver over the property, assets and undertaking of Fernwood.

We understand that SV Law acted as real estate counsel for Fernwood with respect to the sale of 36 condominium units to third parties. As you know, the attached Receivership Order requires you to disclose and produce books and records in your possession related to Fernwood's business or affairs, unless the books and records are subject to "the privilege attaching to solicitor-client communication".

In an email dated March 18, 2020, we requested that SV Law produce "copies of all documentation in relation to all units sold by Fernwood, and documentation in relation to the security provided to Tarion Warranty Corporation." You responded that solicitor-client privilege was not being waived by Fernwood. Copies of that correspondence is attached.

At the request of Ms. Pillon, we have taken all possible steps to obtain the information and documentation sought by the Receiver from Fernwood and its bookkeeper, along with MarshallZehr as mortgagee. We are unaware of any other parties that have access to the documentation and information set out below, and thus we are renewing our request for delivery. If the response is still that Fernwood objects to SV Law producing the documentation and information, we will have to request that SV Law be compelled by Court order to produce the documentation and information, and the motion will be brought on notice to counsel to Fernwood and the Zukowskis.

The documentation and information that the Receiver requests from SV Law is as follows:

- Copies of agreements of purchase and sale for the following 27 legal units: 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 15, 16, 17, 18, 19, 20, 21, 23, 24, 26, 27, 28, 29, 32, 67, 79, and 80.
- Copies of the trust ledger and statement of adjustments for legal unit 80 (Unit #1 in Block 4, 252 Penetanguishene)
- The role of SV Law regarding purchaser deposits. We have not seen any escrow agreement entered into by Fernwood and SV Law regarding purchaser deposits. We understand that on at least 7 occasions, the purchaser's deposit was not delivered to SV Law but was provided to Fernwood directly. In another occasion, only \$2,000 of a deposit was paid to SV Law and the remainder was paid to Fernwood.
- How HST was dealt with on the sale of the 36 units. We understand that the 36 units were sold to parties that were purchasing units as investments, such that HST was chargeable. However, based on the information available to the Receiver, there appears to have been inconsistencies in how HST was dealt with. For example: (i) the trust ledger for the sale of legal unit 28 (242 Penetanguishene, Unit 13) does not account for HST collected on the sale transaction; (ii) on the sale of legal unit 23 (242 Penetanguishene, Unit 2), it appears from the trust ledger that the HST component was paid to Fernwood; and (iii) on the sale of legal unit 29 (242 Penetanguishene, Unit 12) it appears that HST for several units was paid directly to CRA pursuant to a requirement to pay for which we have no details.

- Copies of statements of adjustments and trust ledgers for the following legal units, as the copies the Receiver has obtained are cut-off or aren't legible: legal units 9, 12, 67, 70, 74, 75, 76, 79, 80 (we have no documents for this unit), 82, 83, 84, 85, and 86.
- Details regarding the wires from SV Law for the sale of each of the 36 units, so that the Receiver can confirm which party received the net sale proceeds and what account the amounts were transferred to.
- Details and documentation regarding Fernwood's registration with Tarion, including the following:
 - Builder agreement;
 - Indemnity agreement;
 - Bond agreement (with Westmount Guarantee or other surety);
 - Documentation from Tarion related to the requirement for security (this may be by Phase or for the entire development);
 - Proof that security was furnished and any documentation from Tarion acknowledging same;
 - All / any documentation from Tarion regarding the return of security;
 - Confirmation whether there was any excess deposit insurance facility
 - Fernwood's access credentials to the Tarion portal or a listing of common area deficiencies reported by the Condo Board to Tarion

We will be forwarding a copy of this email to counsel to Fernwood and the Zukowskis and will be asking whether they oppose the disclosure that is being sought.

Thank you,
Sam



Sam P. Rappos | Partner

T: 416.218.1137 E: samr@chaitons.com

5000 Yonge St, 10th Floor, Toronto, ON, M2N 7E9

chaitons.com

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Sam P. Rappos | Partner

T: 416.218.1137 E: samr@chaitons.com

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APPENDIX Q

Dhanani, Arif

From: Sam P. Rappos <samr@chaitons.com>
Sent: Tuesday, June 16, 2020 8:59 PM
To: Irwin A. Duncan
Cc: Theresa Burbank; Dhanani, Arif
Subject: FW: Fernwood Developments (Ontario) Corporation
Attachments: RE In the Matter of the Court-appointed Receivership of Fernwood Developments (Ontario) Corporation; DOCS-#4699230-v1-MZ_Fernwood_-_Receivership_Order_dated_February_12__2020.PDF

Importance: High

Irwin,

Enclosed below is an email sent to SV Law. The Receiver has requested that SV Law provide the documents and information described below in accordance with paragraph 5 of the Receivership Order. Please confirm whether Fernwood and/or the Zukowskis have any issue with SV Law providing the requested information and documents. If they do, the Receiver will be bringing a motion to compel the production, as in our view, the requested documentation and information is not covered by solicitor-client communication privilege.

Regards,
Sam

Sam P. Rappos | Partner
Chaitons LLP | T: 416.218.1137

From: Sam P. Rappos
Sent: Tuesday, June 16, 2020 8:56 PM
To: Lisa Gazzola <lgazzola@svlaw.ca>
Cc: Elizabeth Pillon (lpillon@stikeman.com) <lpillon@stikeman.com>; Arif Dhanani <arif.dhanani@rsmcanada.com>
Subject: Fernwood Developments (Ontario) Corporation
Importance: High

Lisa,

We write to you further to our exchange of correspondence earlier this year. As you may recall, we represent RSM Canada Limited in its capacity as Court-appointed Receiver over the property, assets and undertaking of Fernwood.

We understand that SV Law acted as real estate counsel for Fernwood with respect to the sale of 36 condominium units to third parties. As you know, the attached Receivership Order requires you to disclose and produce books and records in your possession related to Fernwood's business or affairs, unless the books and records are subject to "the privilege attaching to solicitor-client communication".

In an email dated March 18, 2020, we requested that SV Law produce “copies of all documentation in relation to all units sold by Fernwood, and documentation in relation to the security provided to Tarion Warranty Corporation.” You responded that solicitor-client privilege was not being waived by Fernwood. Copies of that correspondence is attached.

At the request of Ms. Pillon, we have taken all possible steps to obtain the information and documentation sought by the Receiver from Fernwood and its bookkeeper, along with MarshallZehr as mortgagee. We are unaware of any other parties that have access to the documentation and information set out below, and thus we are renewing our request for delivery. If the response is still that Fernwood objects to SV Law producing the documentation and information, we will have to request that SV Law be compelled by Court order to produce the documentation and information, and the motion will be brought on notice to counsel to Fernwood and the Zukowskis.

The documentation and information that the Receiver requests from SV Law is as follows:

- Copies of agreements of purchase and sale for the following 27 legal units: 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 15, 16, 17, 18, 19, 20, 21, 23, 24, 26, 27, 28, 29, 32, 67, 79, and 80.
- Copies of the trust ledger and statement of adjustments for legal unit 80 (Unit #1 in Block 4, 252 Penetanguishene)
- The role of SV Law regarding purchaser deposits. We have not seen any escrow agreement entered into by Fernwood and SV Law regarding purchaser deposits. We understand that on at least 7 occasions, the purchaser's deposit was not delivered to SV Law but was provided to Fernwood directly. In another occasion, only \$2,000 of a deposit was paid to SV Law and the remainder was paid to Fernwood.
- How HST was dealt with on the sale of the 36 units. We understand that the 36 units were sold to parties that were purchasing units as investments, such that HST was chargeable. However, based on the information available to the Receiver, there appears to have been inconsistencies in how HST was dealt with. For example: (i) the trust ledger for the sale of legal unit 28 (242 Penetanguishene, Unit 13) does not account for HST collected on the sale transaction; (ii) on the sale of legal unit 23 (242 Penetanguishene, Unit 2), it appears from the trust ledger that the HST component was paid to Fernwood; and (iii) on the sale of legal unit 29 (242 Penetanguishene, Unit 12) it appears that HST for several units was paid directly to CRA pursuant to a requirement to pay for which we have no details.
- Copies of statements of adjustments and trust ledgers for the following legal units, as the copies the Receiver has obtained are cut-off or aren't legible: legal units 9, 12, 67, 70, 74, 75, 76, 79, 80 (we have no documents for this unit), 82, 83, 84, 85, and 86.
- Details regarding the wires from SV Law for the sale of each of the 36 units, so that the Receiver can confirm which party received the net sale proceeds and what account the amounts were transferred to.
- Details and documentation regarding Fernwood's registration with Tarion, including the following:
 - Builder agreement;
 - Indemnity agreement;
 - Bond agreement (with Westmount Guarantee or other surety);
 - Documentation from Tarion related to the requirement for security (this may be by Phase or for the entire development);
 - Proof that security was furnished and any documentation from Tarion acknowledging same;
 - All / any documentation from Tarion regarding the return of security;
 - Confirmation whether there was any excess deposit insurance facility
 - Fernwood's access credentials to the Tarion portal or a listing of common area deficiencies reported by the Condo Board to Tarion

We will be forwarding a copy of this email to counsel to Fernwood and the Zukowskis and will be asking whether they oppose the disclosure that is being sought.

Thank you,
Sam



Sam P. Rappos | Partner

T: 416.218.1137 E: samr@chaitons.com

5000 Yonge St, 10th Floor, Toronto, ON, M2N 7E9

chaitons.com

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APPENDIX R

DUNCAN, LINTON LLP

LAWYERS

IRWIN A. DUNCAN+ • J. DAVID LINTON+ • DAVID M. STEELE • MICHAEL A. VAN BODEGOM
DANIEL W. VEINOT • PETER A. HERTZ • BRYAN A. ROWE • THOMAS E. SANDERSON
JUSTINE A. DALTON • ROBIN J. ELLIS • BRANDON J. CARTER
MARK E. SIMON • ADRIAN L. ROSU
(+Denotes Professional Corporation)

COUNSEL: STEVEN D.S. ROSS

45 ERB STREET EAST
WATERLOO, ONTARIO
N2J 1L7

TEL: 519-886-3340
FAX: 519-886-8651
WEBSITE: www.kwlaw.net
EMAIL: iad@kwlaw.net

June 23, 2020
File No. 0041883

Sam P. Rappos
CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto ON M2N 7E9

VIA EMAIL
(samr@chaitons.com)

Dear Mr. Rappos:

Re: Fernwood Developments (Ontario) Corporation

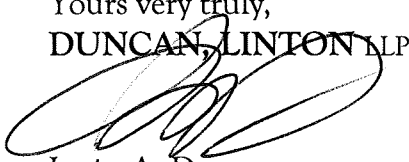
We have reviewed your email of June 16, 2020, concerning certain records in the possession of the Smith Valeriot Law Firm LLP, with our client.

We are advised that most of the information that you are seeking was already provided to the receiver by Fernwood's accountant, Royal City Bookkeeping. Also, many of the documents you seek are in the possession of the Sobara law firm, who as you may know, were the solicitors acting on behalf of MarshallZehr with respect to the Barrie project.

Jordan Zukowski, as the sole director and officer of Fernwood, consents to the release of information in the possession of the Smith Valeriot Law Firm provided that the disclosure is limited to documents and information relating to the sale of units in the Barrie project. Other communications, including all emails and correspondence relating to Fernwood Developments is **not** to be released. Such communications are subject to solicitor-client privilege.

We trust this is what you were seeking.

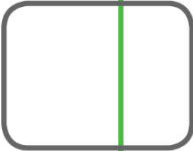
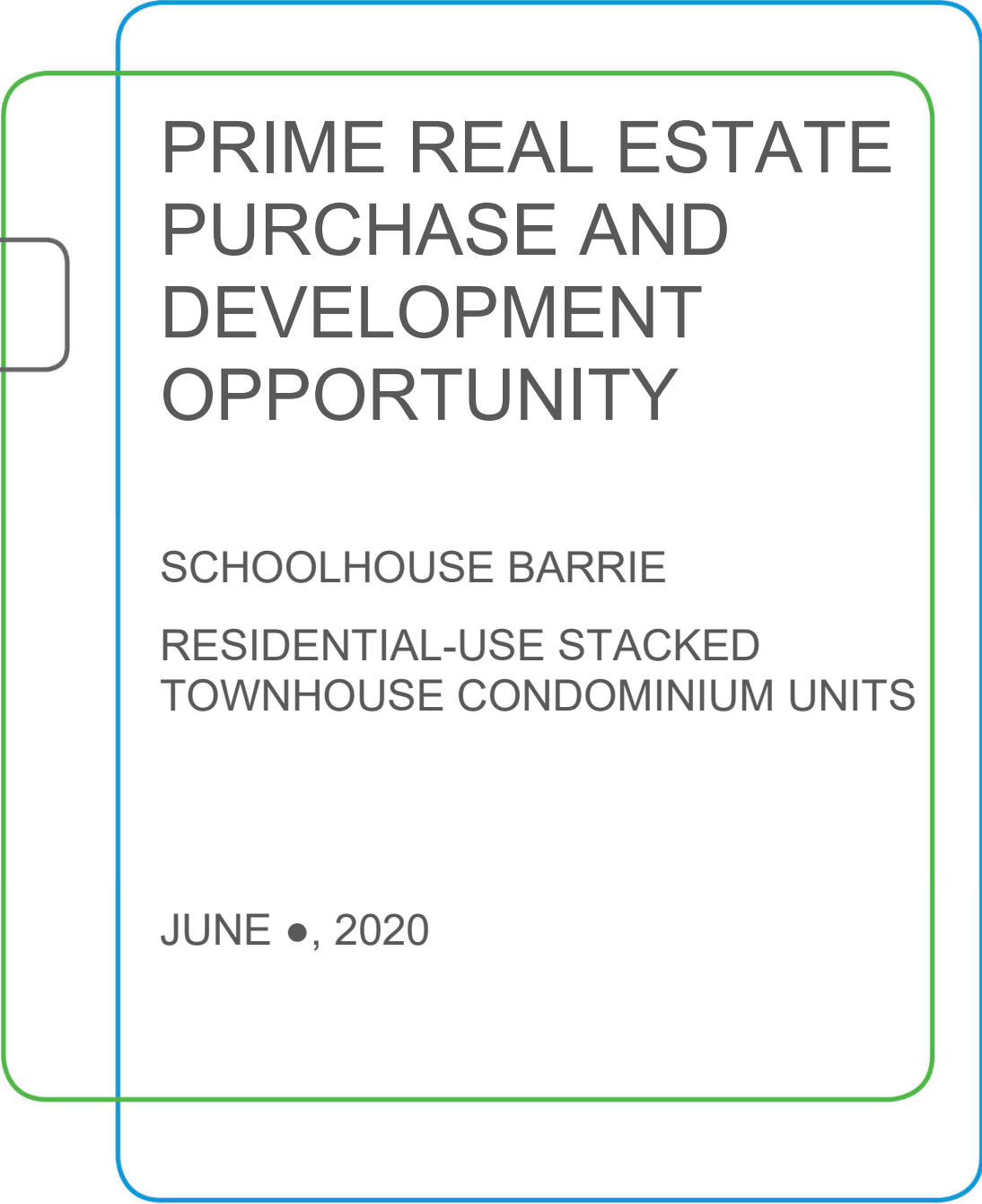

Yours very truly,
DUNCAN, LINTON LLP



Irwin A. Duncan
IAD/js

c. Jordan Zukowski
Lisa Gazzola

APPENDIX S



PRIME REAL ESTATE PURCHASE AND DEVELOPMENT OPPORTUNITY

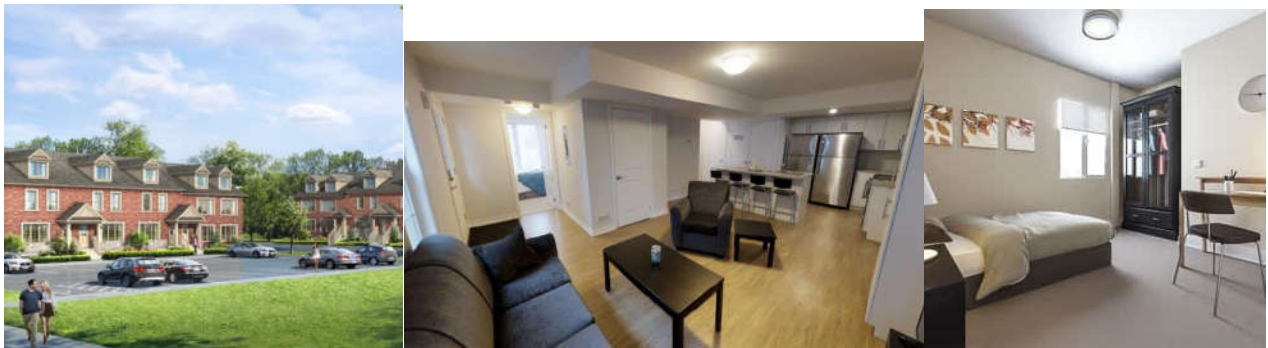
SCHOOLHOUSE BARRIE
RESIDENTIAL-USE STACKED
TOWNHOUSE CONDOMINIUM UNITS

JUNE ●, 2020

THE OPPORTUNITY

RSM Canada Limited, in its capacity as Court-appointed receiver (the “**Receiver**”) of all of the assets, undertakings, and properties of Fernwood Developments (Ontario) Corporation (the “**Debtor**”), and not in its personal capacity, is inviting the submission of offers to purchase the right, title and interest, if any, of the Debtor in the real property owned by the Debtor located at 242-252 Penetanguishene Road in Barrie, Ontario (the “**Property**”). The Property comprises 58 stacked townhouse condominium units of which 26 are completed and 32 are in various stages of completion. The units are in a 94-unit development known as Schoolhouse Barrie.

The deadline for submission of offers is set for 12:00 noon, Toronto time, on Thursday, July 30, 2020.




INVESTMENT HIGHLIGHTS

- Prime location in Barrie to capture demand for residential rentals
- Zoned for residential condominium development
- Located close to major highways, Georgian College and the Royal Victoria Health Care Centre

Overview

- The assets for sale consist of 58 stacked townhouse condominium units of which 26 are completed and 32 are in various stages of completion. The condominium declaration will need to be amended once the 32 units are finished.
- Units range from 1,300 to 1,440 square feet and have 4 bedrooms and 4 bathrooms.
- Each unit has 1 parking spot included with the purchase of the unit.
- The 26 completed units are fully furnished and partially rented. Bedrooms are furnished with a bed, desk, chair and clothes wardrobe. The common area in each unit is furnished with a sofa, chair, coffee table, television, refrigerators, stove, dishwasher, microwave, ensuite washer & dryer and 4 pantries.
- Schoolhouse Barrie is located on the west side of Penetanguishene Road, north of Grove Street.
- The Schoolhouse Barrie's proximity to Georgian College and Royal Victoria Health Care Centre make the units ideal for rental to students and health care professionals.

- 
- Area amenities include several convenience stores, a No Frills grocery store, The Beer Store and Tim Hortons. Grove Street Plaza is only an 8-minute walk away, and offers Roosters Bar and Grill, Mac's Convenience Store, IDA Pharmacy, and Pizza Plus. From Schoolhouse Barrie, Simcoe Plaza is a five-minute drive, where many shops and services are located.
 - Barrie also boasts a wealth of natural beauty, being located on the shores of Kempenfelt Bay, the western arm of Lake Simcoe.

LEGAL DESCRIPTION

The units available for sale are legally described as:

PIN, Unit #, Level #, Simcoe Standard Condominium Plan No. 420 and its appurtenant interest; subject to and together with easements as set out in Schedule A as in SC1354411; City of Barrie.

A schedule of PIN, Unit and Level numbers, by unit, can be provided to potential purchasers.

TARION WARRANTY CORPORATION

The Receiver has had numerous discussions with Tarion Warranty Corporation ("Tarion") regarding the Debtor's obligations for completion of various common area items at Schoolhouse Barrie. Tarion has advised the Receiver that although the Receiver is conducting a sale of the Property on an "as is, where is" basis, any prospective purchaser will be required to attend to at least certain of the Debtor's obligations as they relate to completion or rectification of deficiencies of the common areas of Schoolhouse Barrie. Details regarding the obligations of the Debtor that have not been completed as they relate to the common areas of Schoolhouse Barrie can be obtained from Tarion. The Approved Sale Agreement will include an acknowledgement by the Offeror (the Purchaser) that the Purchaser acknowledges and agrees that the Receiver makes no representations or warranties whatsoever as to the obligations, if any, that the Purchaser may have following the closing of the sale of the Property in respect of the completion or rectification of deficiencies at the Property identified by Tarion.

TRANSACTION AND COMPETITIVE BID PROCESS

The Receiver is conducting a Sale Process, with the deadline for submission of offers set for Thursday, July 30, 2020 at 12:00 noon, Toronto time. Offers submitted are to be irrevocable for acceptance until August 10, 2020. Offers must be submitted using the agreement of purchase and sale available in the data room set up by the Receiver. The senior secured creditor of Fernwood has reserved its right to submit a credit bid offer to acquire the Property. The Receiver reserves the right to extend the above deadline at its sole discretion.

To receive additional information including the Confidential Information Memorandum, interested parties must execute a Confidentiality Agreement. If you are interested in this opportunity, please contact Ms. Echa Odeh of the Receiver's office either at 647-730-3728 or at echa.odeh@rsmcanada.com to obtain a copy of the Confidentiality Agreement.



rsmcanada.com

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APPENDIX T

**Prime Real Estate Purchase and Development
Opportunity**

Invitation for Offers to Purchase

**RESIDENTIAL-USE STACKED TOWNHOUSE
CONDOMINIUM UNITS ON PENETANGUISHENE ROAD
IN BARRIE, ONTARIO**

RSM Canada Limited, in its capacity as Court-appointed receiver (the "Receiver") of Fernwood Developments (Ontario) Corporation (the "Debtor") invites offers for the purchase of the Debtor's right, title and interest, if any, in the property municipally known as 242-252 Penetanguishene Road in Barrie, Ontario. The real property for sale comprises 58 stacked townhouse units of which 26 are completed and 32 are in various stages of completion.

All offers must be received by the Receiver at the address set out below, on or before 12:00 noon (Toronto time), July 30, 2020.

For further information and in order to obtain a confidentiality agreement, please contact:

RSM Canada Limited
11 King St. W, Suite 700, Box 27
Toronto, ON M5H 4C7
Attn: Ms. Echa Odeh
T: 647 730 3728 | F: 416 480 2646
E: echa.odeh@rsmcanada.com



Visit rsmcanada.com/aboutus for more information regarding RSM Canada Limited.

APPENDIX U

RSM Canada Limited
Court-Appointed Receiver of Fernwood Developments (Ontario) Corporation
Interim Statement of Receipts and Disbursements
for the period from February 12, 2020 to June 15, 2020

Receipts	Notes	
Cash on Hand	\$	1,019
Advance from Secured Creditor (Note a)	(a)	545,000
Rental Income - Property and Parking		111,408
Miscellaneous Refunds (HST, other)		3,060
HST Collected		922
Total Receipts	\$	<u>661,409</u>
 Disbursements		
Property Management Fees		4,802
Insurance		21,020
Legal Fees		20,392
Utilities		4,239
Security		2,051
Repairs and Maintenance		6,228
Bookkeeping Fees - RCBS		614
HST/PST		8,346
Miscellaneous		1,072
Total Disbursements	\$	<u>68,765</u>
 Excess of receipts over disbursements	 \$	 <u><u>592,644</u></u>

Notes:

(a) Pursuant to paragraph 21 of the Appointment Order, the Receiver borrowed \$575,000 from MarshallZehr Group Inc. ("MZ"). MZ released \$545,000 to the Receiver and held back \$30,000 as an interest reserve to service monthly interest charges for the term of the

This Appendix forms part of the First Report of the Receiver dated June 30, 2020 and should only be read in conjunction therewith.

APPENDIX V

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

BETWEEN:

MARSHALLZEHR GROUP INC.

Applicant

-and-

FERNWOOD DEVELOPMENTS (ONTARIO) CORPORATION

Respondent

**AFFIDAVIT OF ARIF N. DHANANI
(Sworn June 30, 2020)**

I, ARIF N. DHANANI, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY AS FOLLOWS:

1. I am the Vice President of RSM Canada Limited ("**RSM**"), the Court-appointed receiver in these proceedings (the "**Receiver**"). 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 the Order of the Ontario Superior Court of Justice (Commercial List) dated February 12, 2020, RSM was appointed as receiver, without security, of all of the assets, undertakings and properties of Fernwood Developments (Ontario)

Corporation ("**Fernwood**") acquired for, or used in relation to a business carried on by Fernwood, including all proceeds thereof (the "**Receiver**").

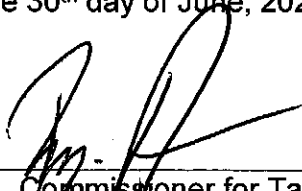
3. Attached hereto and marked as **Exhibit "A"** to this my affidavit is a copy of the invoices rendered by the Receiver for fees incurred by the Receiver in respect of the receivership proceedings for the period February 6, 2020 to May 31, 2020 (the "**Period**"). The fees charged for the Period were \$76,779.00 plus disbursements of \$221.61 and HST of \$10,010.08, for a total of \$87,010.69. The average hourly rate charged during the Period was \$361.82.

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** including 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 at the City of Toronto, in the Province of Ontario, on the 30th day of June, 2020



Commissioner for Taking Affidavits

(or as may be)
Bryan Allan Tannenbaum, a Commissioner, etc.,
Province of Ontario, for RSM Canada LLP
and RSM Canada Limited.
Expires January 5, 2021.

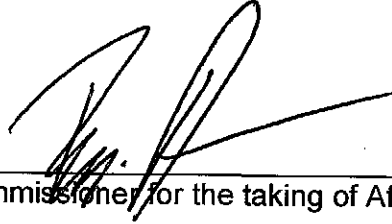


ARIF N. DHANANI

EXHIBIT "A"

Detailed Invoices

This is Exhibit "A" to the Affidavit of
Arif N. Dhanani, sworn on June 30, 2020

A handwritten signature in black ink, appearing to read 'B. Tannenbaum', is written over a horizontal line.

A Commissioner for the taking of Affidavits, etc.

Bryan Allan Tannenbaum, a Commissioner, etc.
Province of Ontario, for RSM Canada LLP
and RSM Canada Limited.
Expires January 5, 2021.



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
Fernwood Developments (Ontario) Corporation
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date April 28, 2020

Client File 7883871

Invoice 1

No. 5996190

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of Fernwood Developments (Ontario) Corporation ("**Fernwood**") for the period February 6, 2020 to March 31, 2020.

Date	Professional	Description
02/06/2020	Arif Dhanani	Review of initial application, including affidavit and various exhibits thereto.
02/11/2020	Arif Dhanani	Review of Statement of Claim issued by Fernwood against MarshallZehr Group ("MZ").
02/12/2020	Arif Dhanani	Discussions with B. Tannenbaum; emails to Chaitons LLP ("Chaitons") re contact information; review of email from counsel to Pensio Property Management Group Inc. ("Pensio") and respond to Chaitons in this regard.
02/12/2020	Bryan Tannenbaum	Attend in Court for application hearing; discussion with A. Dhanani; receipt and review of S. Rappos of Chaitons email to I. Duncan re stay of proceedings on Fernwood statement of claim against MZ; receipt and review of S. Rappos email attaching I. Duncan email.
02/13/2020	Arif Dhanani	Emails from/to J. Zukowski of Fernwood to schedule meeting; emails to/from B. Tannenbaum in this regard.
02/17/2020	Arif Dhanani	Review, respond to and file various emails; call with Alectra Utilities ("Alectra"); review email from Alectra regarding additional accounts; email to Chaitons; email to J. Zukowski re non provision of information and additional accounts identified by Alectra; discussion with E. Odeh and B. Tannenbaum on Huddle data sharing workspace for Fernwood documentation.
02/19/2020	Echa Odeh	Review of documents in Huddle and prepare index in Excel; discussions with A. Dhanani and B. Tannenbaum regarding ongoing tasks; prepare draft S. 245/246 notice; further discussion regarding outstanding information; telephone call to Moduloc regarding fences and send email attaching court order.
02/19/2020	Arif Dhanani	Meet with E. Odeh and B. Tannenbaum; emails to/from J. Zukowski; meet with E. Odeh; emails to/from S. Rappos.

Date	Professional	Description
02/19/2020	Bryan Tannenbaum	Organizational meeting with A. Dhanani and E. Odeh to discuss possession matters, notices, information requests to J. Zukowski, Pensio; review of various emails on possession matters with our office, Chaitons, MZ and the debtor; receipt and review of MZ email and respond to MZ.
02/20/2020	Echa Odeh	Meeting with B. Tannenbaum, J. Zukowski and MZ to discuss outstanding items, Pensio and other matters; tour property and take pictures of same; telephone call with bookkeeper; discussion with A. Dhanani; prepare draft emails to insurer and bookkeeper and send same.
02/20/2020	Arif Dhanani	Review of documents forwarded by Pensio's legal counsel; email to/from Chaitons in this regard; review of correspondence drafted by E. Odeh and amend same.
02/20/2020	Bryan Tannenbaum	Attend in Barrie at the property with E. Odeh for initial meeting with J. Zukowski to get background information and tour; meeting at property with M. Snedden and S. Atkinson of MZ; receipt and review of MZ email with Pensio calculations.
02/21/2020	Anne Baptiste	Perform address searches re S. 245 notice mailing.
02/21/2020	Echa Odeh	Prepare correspondence to RBC, BMO, City of Barrie and Enbridge; issue letters to each recipient by email or fax; prepare and format creditor listing; finalize Notice & Statement of Receiver and fax same to the Office of the Superintendent of Bankruptcy; telephone call with J. Zukowski regarding outstanding items; discussions with B. Tannenbaum and A. Dhanani regarding ongoing tasks.
02/21/2020	Arif Dhanani	Review of S. 245/246 notice and various correspondence drafted by E. Odeh and amend same; call with B. Keks of Pensio to review information sent by same; brief discussion with B. Tannenbaum.
02/21/2020	Bryan Tannenbaum	Review documentation; organizational meeting with A. Dhanani and E. Odeh; discussion with S. Lewis of Kipling Group re property management.
02/21/2020	Donna Nishimura	Prepare labels and send out Notice & Statement of Receiver to known creditors.
02/24/2020	Arif Dhanani	Draft letter to Alectra regarding master utility account and discussion with Alectra; email to E. Odeh in this regard; email to MZ re Fernwood common area fee arrears; draft memo to file re discussion with Pensio; review of email from Duncan, Linton LLP ("Duncan Linton") and forward same to B. Tannenbaum and Chaitons; email to external bookkeeper with clarification on instruction re T4s; review insurance information and forward same to HUB International Insurance Brokers ("HUB").
02/24/2020	Echa Odeh	Create new Ascend file, request Ascend license; prepare letter to BMO for new Trust account; prepare mail redirection and cover letter; attend at post office to complete mail redirection.
02/25/2020	Arif Dhanani	Call with S. Atkinson; prepare budget for Fernwood, including reviewing emails to/from external bookkeeper and discussion with E. Odeh; call with Chaitons regarding condo fee arrears; call with Priority Submetering; attend conference call with MZ, Chaitons and B. Tannenbaum.

Date	Professional	Description
02/25/2020	Echa Odeh	Telephone calls to Enbridge, RBC and Federated Insurance to follow up on correspondence issued and information required; telephone calls with Alectra regarding billing.
02/25/2020	Bryan Tannenbaum	Review budget and discuss funding requirements with A. Dhanani; conference call with MZ (M. Snedden/S. Atkinson) and Chaitons (H. Chaiton/S. Rappos) re status, property management, construction and costs to complete, lien and holdback provisions, guarantors.
02/26/2020	Arif Dhanani	Discussion with E. Odeh on bank accounts; Priority Submetering on agreement with Fernwood; review of communication from creditor of Fernwood and forward same to E. Odeh for response; review of commitment letter from MZ, discussion re same with B. Tannenbaum and message for S. Atkinson re same.
02/26/2020	Echa Odeh	Draft further letters to BMO TD, Sandpiper; telephone call with BMO branch manager; emails and phone calls with Federated Insurance; email and phone calls with J. Zukowski; telephone call with Canada Revenue Agency ("CRA"), prepare letter to open RT0002 account; telephone call and email with Alectra regarding account names; fax and email all letters to relevant addresses.
02/26/2020	Bryan Tannenbaum	Email to A. Dhanani and E. Odeh re property manager search; call from CRA and referred same to E. Odeh.
02/27/2020	Arif Dhanani	Call with and emails from/to S. Atkinson regarding commitment letter and Receiver's Certificate; emails to/from Priority Submetering.
02/27/2020	Echa Odeh	Follow up phone calls and emails with the banks to confirm accounts frozen; emails with City of Barrie regarding water/waste; telephone call with creditor; review of insurance documents and email to B. Tannenbaum and A. Dhanani.
02/28/2020	Bryan Tannenbaum	Execute Receiver's Certificate #1 and financing commitment letter.
02/28/2020	Arif Dhanani	Email to B. Keks re wire instructions for Receiver's account; review insurance information forwarded to RSM and email to HUB with Fernwood policy declarations; call with HUB; finalize and facilitate execution of commitment letter and Receiver's Certificate, scan and send same to MZ; call with Priority Submetering; discussion with E. Odeh on TD Bank statement and transactions and responding to various questions from E. Odeh.
02/28/2020	Echa Odeh	Review of bank account statement from TD, phone call with TD, responding email sent to TD requesting further information; telephone call with creditor; review of email from City of Barrie; discussions with A Dhanani; draft email response to creditor and send same to B. Wong for comments.
02/28/2020	Brenda Wong	Review draft response to creditor email inquiry.
03/02/2020	Arif Dhanani	Responding to various emails from MZ; email to Chaitons re costs to remove liens; meet with E. Odeh re Tarion.
03/02/2020	Echa Odeh	Review returned mail; email notice to creditors; search for updated contact information and update contact addresses; telephone calls and emails with Moduloc regarding fences and new contract with Receiver; discussions with A. Dhanani and attend phone call with potential property manager.
03/02/2020	Bryan Tannenbaum	Receipt and review of Plazacorp email re status and respond to same.
03/03/2020	Arif Dhanani	Review of email from Subhkin Management and discuss same with B. Tannenbaum; email to Pensio re remittance of rents; discussion with and

Date	Professional	Description
		emails to Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland"), as independent counsel to the Receiver, with various requests.
03/03/2020	Echa Odeh	Liaise with creditors by phone and email; emails and phone call with Modu-Loc; email executed contract to Modu-Loc.
03/04/2020	Echa Odeh	Follow up with bookkeeper regarding requested documents, draft letter to accountant re contravention of Court order; update creditor address.
03/04/2020	Bryan Tannenbaum	Emails from Pensio regarding rent receipts and remittance to Receiver.
03/05/2020	Arif Dhanani	Email to J. Larry at Paliare Roland re lawsuit; review email from B. Keks re potential offer for unsold units and blocks; email exchange with MZ regarding potential offer; call with J. Larry re statement of claim; follow up with B. Keks re remittance of rent monies.
03/05/2020	Bryan Tannenbaum	Receipt and review of B. Keks email providing an offer from a potential purchaser; email to A. Dhanani regarding same; telephone call from C. Hayes of MZ; receipt and review of C. Hayes email to A. Dhanani re Pensio; receipt and review of A. Dhanani response to C. Hayes.
03/06/2020	Brenda Wong	Review draft letter to Royal City Bookkeeping Services Limited ("Royal City Bookkeeping").
03/06/2020	Arif Dhanani	Review draft letter to bookkeeper and amend same; update meeting with B. Tannenbaum; confirm receipt of partial rent monies wired by Pensio; email to Pensio regarding amount paid and balance.
03/06/2020	Bryan Tannenbaum	Discussion with A. Dhanani re Pensio agreements/status.
03/06/2020	Echa Odeh	Review of BMO bank statements, draft file note confirming findings; email letter to Royal City Bookkeeping; discussions with A. Dhanani regarding further instructions; telephone call with J. Zukowski regarding parking space agreements.
03/09/2020	Arif Dhanani	Review of email from E. Odeh; emails to B. Keks re payment of balance of rent collected and parking space rental revenue; review of email from Royal City Bookkeeping and respond thereto; call calls to Tarion; email to BMO re letter of credit; update email to MZ.
03/09/2020	Donna Nishimura	Deposit cheque at the bank.
03/09/2020	Bryan Tannenbaum	Receipt and review of various emails with Pensio on collection of rent and parking rent.
03/10/2020	Arif Dhanani	Emails to/from Royal City Bookkeeping; call with Tarion and email to same; discussion with B. Tannenbaum regarding Tarion; review of rent collection spreadsheet received from Pensio and email to Pensio regarding offer.
03/10/2020	Echa Odeh	Telephone call with J. Zukowski; telephone call with SV Law; email sent to SV Law requesting further information; prepare cheque requisitions for mail redirection and Moduloc invoices.
03/10/2020	Bryan Tannenbaum	Receipt and review of A. Dhanani email on Tarion deposits; discuss same with him as to recovery of monies held.
03/11/2020	Arif Dhanani	Meet with E. Odeh re information provided by accountant and email to be sent to same.

Date	Professional	Description
03/11/2020	Echa Odeh	Discussion with A. Dhanani and responding email sent to Royal City Bookkeeping; email to Modu-Loc regarding invoicing; lengthy phone calls with Enbridge Gas regarding accounts and name change.
03/12/2020	Arif Dhanani	Various emails to/from Royal City Bookkeeping and forward correspondence to counsel.
03/12/2020	Echa Odeh	Review of information received from Enbridge, collate information into Excel spreadsheet; determine which accounts belong to Fernwood; discussions with A. Dhanani regarding account changes; lengthy phone call with Federated Insurance, discussions regarding account changes; review of previous documents and premium calculations, email sent to Federated Insurance advising of further account changes; email to Bankruptcy Highway regarding RBC accounts; lengthy phone call with J. Zukowski regarding property issues; email to A. Dhanani requesting instructions.
03/13/2020	Anne Baptiste	Prepare disbursement cheques; filing re banking documentation; process receipts in Ascend.
03/13/2020	Arif Dhanani	Call with A. Slavens from Torsys on behalf of Tarion; call with Rogers.
03/13/2020	Echa Odeh	Telephone call with Sandpiper regarding correspondence dated February 26, 2020; resend correspondence to N. Morgan at Sandpiper; follow up sent to insurer to obtain amendment updates; prepare SRD for current fees and current disbursements and email same to A. Dhanani for review; email to J. Zukowski requesting further information about car sale and parties that properties were sold to.
03/16/2020	Arif Dhanani	Review of draft correspondence to J. Zukowski and amend same; review of email from B. Tannenbaum re BMO and respond to same.
03/16/2020	Echa Odeh	Draft correspondence to J. Zukowski regarding responsibilities and non-disclosures; discussions with A. Dhanani; amend letter to J. Zukowski; follow up with Modu-Loc regarding expenses; email to bookkeeper's counsel confirming our counsel's details.
03/16/2020	Bryan Tannenbaum	Receipt and review of BMO lawyer letter; email from A. Dhanani re explanation regarding LC and collateral therefor.
03/17/2020	Arif Dhanani	Review of emails from MZ and Chaitons re Pensio and respond thereto; review of email from S. Rappos to counsel for condo corp.; email to Chaitons re Royal City Bookkeeping and alternatives to attending on site to copy records; review of Receiver's Statement of Receipts and Disbursements prepared by E. Odeh and comment thereon; amend draft property management agreement with Subhkin and send same to D. Weisz for comments.
03/17/2020	Echa Odeh	Phone call with Nezz Electrics; discussion with A. Dhanani regarding phone call; telephone call with SV Law.
03/17/2020	Anne Baptiste	Prepare bank reconciliation.
03/18/2020	Arif Dhanani	Call with Paliare Roland and B. Tannenbaum; call with MZ, Chaitons and B. Tannenbaum; review changes made to property management agreement by D. Weisz and B. Wong; email to Sandpiper re hot water tanks; emails to/from and discussion with E. Odeh; review of letter from Duncan Linton and email to Chaitons in this regard.

Date	Professional	Description
03/18/2020	Brenda Wong	Review Subhkin property management agreement and prepare draft management agreement using Receiver's standard form of agreement.
03/18/2020	Echa Odeh	Lengthy phone call with J. Zukowski regarding correspondence; phone call to SV Law and resend email regarding Agreement of Purchase and Sale and Tarion; discussions with A. Dhanani regarding progress; review of correspondence from Sandpiper and draft email response to same; phone calls with TD regarding request for information; prepare cheque requisitions for payment to Modu-Loc; review of correspondence from Mack Construction lawyer; emails with A. Dhanani; request update on corporate engagement website.
03/18/2020	Bryan Tannenbaum	Telephone call with A. Dhanani to prepare for the Receiver's call with Paliare Roland; conference call with MZ (M. Snedden/ S. Atkinson) and Chaitons (H. Chaiton/S. Rappos) regarding Pensio; receipt and review of E. Odeh email re Mack Construction lien; receipt and review of Dunlop letter and respond to A. Dhanani.
03/19/2020	Arif Dhanani	Incorporate changes to property management agreement and send same to Subhkin; review Chaitons' correspondence to Friedmans and subsequent exchange.
03/19/2020	Bryan Tannenbaum	Receipt and review of various emails responding to J. Hamilton; receipt and review of emails relating to I. Duncan and debtor's litigation.
03/19/2020	Echa Odeh	Attend to file administration and email to A. Dhanani.
03/20/2020	Daniel Weisz	Review proposed property management agreement and discussion with A. Dhanani on same.
03/20/2020	Bryan Tannenbaum	Receipt and review of property management agreement; discussions of same with A. Dhanani and also on Tarion and LC's.
03/20/2020	Arif Dhanani	Review of correspondence from and email to Sandpiper; finalize and execute agreement with Subhkin; call with Tarion re attendance on site to view complete and incomplete units; call with Paliare Roland regarding response to Duncan Linton letter.
03/20/2020	Echa Odeh	Review of correspondence from City of Barrie; updated property tax schedule; send email to City of Barrie requesting missing tax bills.
03/23/2020	Arif Dhanani	Emails to/from Federated Insurance; review of draft letter from Paliare Roland to Duncan Linton, comment on same; review of email from Subhkin and attached correspondence and reply to Subhkin; call with counsel to Tarion; review of emails from Chaitons and respond to same re bookkeeper.
03/23/2020	Bryan Tannenbaum	Telephone call with A. Dhanani re: (i) Tarion and cancellation of inspection due to Covid-19; and (ii) retention of Subhkin Management in place of Pensio.
03/24/2020	Echa Odeh	Review of condo plan and identify block numbers for all Enbridge accounts, document same in Excel spreadsheet.
03/24/2020	Arif Dhanani	Call with Subhkin Property Management; review of emails from E. Odeh and respond thereto re Enbridge accounts; email to Pensio Global re engagement of independent property manager; review of email from MZ and respond thereto; review of email from Chaitons re condo corp and liens and respond thereto; email exchange with B. Keks re Receiver's retention of independent property manager; emails to/from A. Slavens re conference call with Tarion.

Date	Professional	Description
03/24/2020	Bryan Tannenbaum	Receipt and review of various emails between A. Dhanani and B. Keks of Pensio.
03/25/2020	Echa Odeh	Prepare cheque requisitions for bookkeeper and insurance; phone calls and emails with insurance company due to discrepancies in payment information; email with City of Barrie regarding property taxes; review redirected mail; draft letter to two owners in regards to Enbridge accounts.
03/25/2020	Arif Dhanani	Review Priority Submetering agreement and comment thereon; call with B. Tannenbaum; email exchange with RCBS; emails to/from K. Gray re insurance premium to be paid and call with Federated Insurance accountant; call with Tarion, its counsel and B. Tannenbaum; review Tarion COVID-19 correspondence and email to/from B. Douglas of Tarion; review of letters drafted by E. Odeh to specific unit owners and comment on same; email to B. Keks re new property manager contact details.
03/25/2020	Bryan Tannenbaum	Conference call with Tarion and Torsys (A. Slavens) as to status of project and Tarion pausing timelines as of March 16, 2020 due to Covid-19 and access to Builder Link.
03/26/2020	Daniel Weisz	Process payment re insurance.
03/26/2020	Echa Odeh	Phone calls with tenants; review of QuickBooks accounting file, print T4 summary for 2019; prepare T4s and T4a summary for 2019; email sent to A. Dhanani regarding further instructions; phone call with Federated Insurance regarding payment issues; email property tax information to Chaitons regarding 246 Penetanguishene, Unit 14.
03/26/2020	Arif Dhanani	Draft report to and emails from/to MZ re status of various matters; call with S. Rappos and H. Chaiton; call with TD Bank; review of email from B. Keks and respond to same; respond to third party investor; forward email from Pensio to Subhkin with information on tenants.
03/26/2020	Bryan Tannenbaum	Email with A. Dhanani re brief report to MZ and lawyers; receipt and review of same; receipt and review of MZ email re Tarion issues.
03/27/2020	Arif Dhanani	Emails to/from J. Larry; review of letter from counsel to J. Zukowski; call with third party unit owner regarding Pensio termination of rental guarantee; review of Pensio letter and forward same to counsel; email to Subhkin and review response thereto; draft detailed response to Paliare Roland on letter from counsel to J. Zukowski.
03/27/2020	Echa Odeh	Reconcile units to phases and email sent to A. Dhanani; follow up email sent to KW Law attaching mail; review of incoming mail; print G/L and file HST returns.
03/30/2020	Arif Dhanani	Review of email from Subhkin re utilities, rents, property management and other matters and respond thereto; call with Subhkin; review email from Rogers and respond thereto; call with J. Larry; review of email from E. Odeh re Enbridge and respond thereto; update call with B. Tannenbaum; emails to/from Rogers; complete Priority Submetering Agreement review and send same to Chaitons for comments; responding to email from MZ; call with Federated Insurance.
03/30/2020	Echa Odeh	Call to Enbridge Gas, draft letter to Enbridge; review of email from A. Dhanani to counsel and review of report; obtain transaction listings and customer transactions relating to J. Zukowski from QuickBooks and email to A. Dhanani;

Date	Professional	Description
		email to Federated Insurance to add Receiver as additional insured; phone call and email with Federated Insurance in regards to payment.
03/30/2020	Bryan Tannenbaum	Telephone call with A. Dhanani re discussion with Subhkin re Pensio property management, leases, master keys, sub-metering agreement, water, hydro and Rogers bulk internet contract, repairs, key locks and codes, third party investors property management issues, tenants moving units prior to Receiver's appointment; send MZ copy of letter from Pensio to third party investors.
03/31/2020	Echa Odeh	Prepare cheque requisition for payment to Modu-Loc.
03/31/2020	Arif Dhanani	Email to Subhkin re insurance and scheduling site attendance for insurer; review of insurance certificates received from Federated Insurance and send appropriate certificate to Subhkin; review of documentation for payment to Modu-Loc and approve same; call with M. Gonneau of Keller Williams; email to Subhkin re deposits.
		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
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	14.3	\$ 575	\$ 8,222.50
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	1.0	\$ 550	550.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	68.7	\$ 425	29,197.50
Brenda Wong, CIRP, LIT	Senior Manager	2.6	\$ 425	1,105.00
Echa Odeh	Senior Associate	60.1	\$ 225	13,522.50
Anne Baptiste/Donna Nishimura	Estate Administrator	2.6	\$ 110	286.00
Total hours and professional fees		<u>149.3</u>		\$ 52,883.50
HST @ 13%				6,874.86
Total payable				\$ 59,758.36

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
Fernwood Developments (Ontario) Corporation
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date April 28, 2020

Client File 7883871
Invoice DISBURSEMENT 1
No. 5996107

Disbursements in connection with RSM Canada Limited acting as Court-appointed Receiver of Fernwood Developments (Ontario) Corporation for the period to March 31, 2020.

Photocopies	\$ 65.00
Postage	57.85
Mileage	98.76
Total disbursements	\$ 221.61
HST @ 13%	28.81
Total payable	\$ 250.42

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

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
Fernwood Developments (Ontario) Corporation
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date May 20, 2020

Client File 7883871

Invoice 2

No. 6014670

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of Fernwood Developments (Ontario) Corporation ("**Fernwood**") for the period April 1, 2020 to April 30, 2020.

Date	Professional	Description
04/01/2020	Arif Dhanani	Review of email from B. Keks of Pensio Property Management Group Inc. ("Pensio") and respond thereto re receipt of funds and status of rent deposits; follow up with S. Rappos of Chaitons LLP re submetering agreement; receipt and review of insurance certificate provided by Subhkin Management ("Subhkin"); emails to/from counsel to Tarion Warranty Corporation ("Tarion"); call with B. Tannenbaum re Keller Williams Realty, Inc.
04/01/2020	Bryan Tannenbaum	Telephone call with A. Dhanani re Pensio and information from M. Gonneau of Keller Williams; reading various emails.
04/02/2020	Arif Dhanani	Review of documents forwarded by J. Larry of Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") from Duncan Linton LLP ("Duncan Linton"); calls with J. Larry to discuss same; email to Priority Submetering to ask for unlocked version of agreement.
04/03/2020	Bryan Tannenbaum	Conference call with C. Hayes of MarshallZehr Group ("MZ") and M. Gariepy of Simcoe Block regarding finishing construction; receipt and review of MZ email re Simcoe Block; email to A. Dhanani re tour; email to M. Gariepy to introduce to A. Dhanani.
04/03/2020	Arif Dhanani	Email exchange with J. Larry, review of Paliare Roland draft letter to I. Duncan of Duncan, Linton and comment on same; email exchange with M. Gariepy; email exchange with R. Knapp; email to B. Tannenbaum with comments and observations regarding engaging trades, Tarion, and other construction related matters; respond to email from Barriston Law.
04/06/2020	Arif Dhanani	Review Paliare Roland letter to Duncan Linton; call with J. Larry re comprehensive letter to I. Duncan; email to Pensio to discontinue emailing Fernwood tenants for payment of rent; review of email from B. Keks and respond thereto; coordinate site attendance by R. Knapp on request of Simcoe Block;

Date	Professional	Description
		review email from General Counsel to Sandpiper Energy Solutions and call with same.
04/07/2020	Arif Dhanani	Review and respond to email from Subhkin; emails to/from E. Odeh re TD account reconciliation; emails from/to B. Keks re April rent and reconciliation; responding to questions from S. Rappos re S.245/246 notice and Priority Submetering; review of Paliare Roland letter to Duncan Linton and comment on same.
04/07/2020	Echa Odeh	Prepare cheque requisition for payment; discussions with A. Dhanani and review of documents on file; pull information from QuickBooks and send email to A. Dhanani regarding same; lengthy phone call with Enbridge Gas, confirm certain account closures and new accounts opened.
04/08/2020	Arif Dhanani	Review of email from S. Rappos with comments on Priority Submetering agreement, respond to email; call with Subhkin re rents collected for April, outstanding rents, issuance of N4 notices and strategy for renting vacant rooms and units; review of emails from Chaitons to Ness Law and SV Law to follow up on outstanding issues.
04/08/2020	Bryan Tannenbaum	Telephone call with A. Dhanani re property management report and building conditions stemming from Pensio oversight; telephone call from C. Hayes re CAD drawings/plans in the company records to assist in build out quotations.
04/08/2020	Echa Odeh	Email to A. Dhanani regarding findings from bank statements and QuickBooks; call with Enbridge regarding online access; add each account to online access and summarize accounts in Excel spreadsheet.
04/09/2020	Arif Dhanani	Emails from/to S. Rappos re Service List; call with S. Rappos re Priority Submetering service agreement; send track changes agreement to Priority Submetering.
04/09/2020	Bryan Tannenbaum	Receipt and review of permit drawings from E. Odeh/A. Dhanani; forward same to MZ.
04/13/2020	Arif Dhanani	Review email from P.J. Daffern Law Firm and forward same to Chaitons for response; emails from/to E. Odeh re information received from external bookkeeper; review of email from Subhkin including report and statement of claim and forward same to B. Tannenbaum.
04/13/2020	Echa Odeh	Review of sales closing documents including trust ledger statements; prepare summary of proceeds for each sale and document in Excel; liaise with bookkeeper regarding missing information; email and phone call to City of Barrie to obtain CAD drawings; prepare cheque requisition for insurance payment.
04/14/2020	Daniel Weisz	Process e-payments.
04/14/2020	Arif Dhanani	Review emails from Miller Thomson LLP re lien claims and forward same to S. Rappos; update call with B. Tannenbaum re property manager and report; email to B. Keks re reporting and return of deposits overdue; call with S. Rappos re liens; email to B. Tannenbaum and E. Odeh re discussion with S. Rappos; review and comment on consent sent by S. Rappos; sign amended consents sent by S. Rappos in respect of Ness Electric and Grounded Electrical; call with J. Larry re correspondence sent/to be sent to Duncan Linton; review of sales summary prepared by E. Odeh and forward same to S. Rappos for call with SV Law.

Date	Professional	Description
04/14/2020	Echa Odeh	Review of lien; email to A. Dhanani; prepare summary of liens; call with bookkeeper regarding missing sales documents; save emails to file; update Excel document of sales proceeds and email to A. Dhanani.
04/14/2020	Bryan Tannenbaum	Receipt and review of A. Dhanani email with property management reporting letter; telephone call with A. Dhanani re trades registering liens, property management, condo corp responsibilities, difficulties in getting responses from stakeholders and drafting a status report to MZ.
04/15/2020	Echa Odeh	Call with City of Barrie regarding CAD drawings and format required.
04/15/2020	Arif Dhanani	Call with third party unit owner; review email from party interested in purchasing complete and incomplete units; review of email from Pensio re offset of rent deposits against amounts claimed to be owed to it by Fernwood and email to J. Larry re same; review of email exchange between Chaitons and P.J. Daffern Law Firm ("Daffern Law"); emails with Chaitons with respect to arranging a conference call with property manager and condo corp for April 17, 2020; draft reporting for comments by B. Tannenbaum and E. Odeh.
04/16/2020	Arif Dhanani	Review of B. Tannenbaum's comments on draft report; review various emails from Chaitons and respond thereto, as appropriate; review various emails from Paliare Roland and respond thereto, as appropriate.
04/16/2020	Bryan Tannenbaum	Comment on A. Dhanani's draft status report to MZ.
04/16/2020	Echa Odeh	Review of update report and respond to A. Dhanani.
04/17/2020	Arif Dhanani	Review of correspondence and statement of claim sent by Daffern Law re Duncan Drywall and respond thereto to S. Rappos and email to B. Tannenbaum in this regard; call with Directors of Simcoe Standard Condominium Corporation #420 ("SSCC 420"), Bayshore Property Management ("Bayshore") and S. Rappos and post-call with S. Rappos; emails to/from D. Fudge re Rogers internet; send Fernwood agreement with Rogers to board members of SSCC 420 and Bayshore.
04/20/2020	Arif Dhanani	Review of lien claim summary prepared by E. Odeh and email to S. Rappos regarding same.
04/20/2020	Arif Dhanani	Forward agreement between Fernwood and Priority Submetering to SSCC 420 board members and Bayshore; execute consent for Mack Constructions Inc. ("Mack Constructions") on advice of Chaitons; email to S. Rappos with comments on email from P. Daffern; review of invoices rendered by Royal City Bookkeeping and email to E. Odeh with approval to pay same; review of email from Priority Submetering and email to S. Rappos re same; email to B. Tannenbaum re construction lien claims; call with J. Larry on further request for response from Duncan Linton and Pensio on withholding deposits; email to Subhkin with update on utilities and meeting with condo corporation board members; review of documentation prepared and invoices sent by E. Odeh re Enbridge Gas and approve payment of same; attend conference call with B. Tannenbaum, MZ, Chaitons and Paliare Roland.
04/20/2020	Echa Odeh	Follow up email to A. Dhanani regarding property taxes, diarize for future follow up; update liens listing and email to S. Rappos; prepare cheque requisition for payment of expenses; review of Enbridge Gas bills, update billing method on Enbridge website for bills not received, download missing bills and reconcile bills into spreadsheet for payment summary; phone call to Enbridge customer service

Date	Professional	Description
		and bankruptcy teams regarding payment methods and avoid making 42 separate online payments; email to City of Barrie requesting missing bill.
04/20/2020	Bryan Tannenbaum	Conference call with MZ, Chaitons and Paliare Roland re liens and sale documentation from closings.
04/21/2020	Arif Dhanani	Call with party interested in purchasing finished and unfinished units; responding to D. Nishimura on receivership administration; review email and attachments thereto from counsel to Mack Constructions and forward same to S. Rappos; facilitate scheduling of conference call among Chaitons, Priority Submetering and RSM; review materials from Daffern Law re discontinuance of claim against RSM.
04/21/2020	Bryan Tannenbaum	Telephone call with A. Dhanani re cash flow, discussion with condo corp and accounts for water, hydro and internet still in Fernwood name.
04/21/2020	Echa Odeh	Review of file to identify architect/engineer of Fernwood property, email information to A. Dhanani.
04/22/2020	Arif Dhanani	Review of email from J. Larry and respond thereto regarding relevant issues for Court attendance.
04/22/2020	Echa Odeh	Prepare cheque requisitions for expenses.
04/22/2020	Anne Baptiste	Prepare bank reconciliation.
04/23/2020	Arif Dhanani	Brief review of Duncan Linton letter and call with J. Larry and B. Tannenbaum re same; call with A. Beacom of Priority Submetering and S. Rappos regarding agreement.
04/23/2020	Bryan Tannenbaum	Receipt and review of J. Larry email with Duncan Linton responding letter; call with J. Larry and A. Dhanani.
04/23/2020	Echa Odeh	Phone calls and emails with Enbridge Gas regarding collective accounts; discussions with A. Dhanani regarding approval to open a collective account.
04/27/2020	Echa Odeh	Email to Enbridge regarding collective account.
04/27/2020	Arif Dhanani	Email to Bayshore re outstanding information requested; email to J. Larry re letter to Pensio counsel on offset of rent deposits; call with J. Larry re next steps with respect to J. Zukowski and R. Zukowski; call with E. Odeh re administrative matters and drafting new budget.
04/28/2020	Donna Nishimura	Prepare cheque requisition and process paperwork for payment.
04/28/2020	Arif Dhanani	Review of draft letter from Paliare Roland to B. Keks, comment on same and send to J. Larry; review updated budget prepared by E. Odeh and provide comments thereon; email to B. Tannenbaum re status of updated budget and further funding required; email to property manager re status of rent collection for April and timing of remittance to Receiver; emails from/to J. Tomaszewski re internet charges.
04/28/2020	Echa Odeh	Prepare updated budget/cash flow; update budget as per further instructions; phone call with A. Dhanani to obtain update on file.
04/29/2020	Arif Dhanani	Emails from/to Priority Submetering; emails from/to Subhkin; review of Subhkin's update/report on rent collections and other identified issues; emails from/to E. Odeh re water and hydro charges and submission of bills to Priority Submetering; review and approve payment of hydro bill; lengthy call with Subhkin regarding various issues related to the property; email to Bayshore re sink hole.
04/29/2020	Daniel Weisz	Process e-payment.

Date	Professional	Description
04/29/2020	Echa Odeh	Prepared cheque requisition for Hydro and call with Alectra Utilities regarding billing address.
04/30/2020	Echa Odeh	Update budget based on new information received; update notes and provide to A. Dhanani for review.
04/30/2020	Arif Dhanani	Call with counsel to third party owner of unit at Schoolhouse Barrie regarding Pensio's lack of accounting and last month's rent deposits not provided to owner; review draft budget prepared by E. Odeh, comment on same.
		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
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	3.6	\$ 575	\$ 2,070.00
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.3	\$ 550	165.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	42.1	\$ 425	17,892.50
Echa Odeh	Senior Associate	16.6	\$ 225	3,735.00
Anne Baptiste/Donna Nishimura	Estate Administrator	0.3	\$ 110	33.00
Total hours and professional fees		62.9		\$ 23,895.50
HST @ 13%				3,106.42
Total payable				\$ 27,001.92

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
Fernwood Developments (Ontario) Corporation
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date June 12, 2020

Client File 7883871

Invoice 3

No. 6035782

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of Fernwood Developments (Ontario) Corporation ("**Fernwood**") for the period May 1, 2020 to May 31, 2020.

Date	Professional	Description
05/01/2020	Arif Dhanani	Detailed review of cash flow, formulas and notes drafted by E. Odeh, amend same and send to B. Tannenbaum for final comments.
05/04/2020	Arif Dhanani	Call with J. Larry of Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") on various matters; call with B. Tannenbaum re budget and discussion with J. Larry; review of HST returns for March and April 2020 and approve same.
05/04/2020	Echa Odeh	Print ledger and calculate HST return; file HST returns and save to the file.
05/05/2020	Arif Dhanani	Review of email forwarded by S. Rappos of Chaitons LLP and email to E. Odeh re condominium liens; review of management statement from Subhkin Management ("Subhkin") and email to D. Weisz to check for deposit; call with S. Rappos pursuant to his discussion with J. Larry; review of email from Bayshore Property Management ("Bayshore") and attachments thereto; email to Subhkin.
05/05/2020	Echa Odeh	Save common area fees ledgers to the file; prepare summary of common area fees and liens registered on title and email to A. Dhanani.
05/06/2020	Arif Dhanani	Email exchange with S. Rappos re utilities; email to property manager regarding utilities; attend call with Chaitons, Paliare Roland and B. Tannenbaum re bankruptcy of Fernwood.
05/06/2020	Bryan Tannenbaum	Conference call with Chaitons (S. Rappos/H. Chaiton), Paliare Roland (J. Larry) re bankruptcy of Fernwood.
05/07/2020	Daniel Weisz	Process e-payments.
05/07/2020	Arif Dhanani	Email exchange with Subhkin re replacement of microwaves/fan hoods and advertising; amend and finalize funding budget and send same to MarshallZehr Group ("MZ"); email to Bayshore re threat to initiate power of sale proceedings and replying to email from Chaitons; respond to Bayshore re internet, water and hydro accounts.

Date	Professional	Description
05/07/2020	Echa Odeh	Prepare cheque requisition for payment of expenses; prepare receipt form for receipt of rent; phone call and email with Subhkin regarding repairs costs; phone call with Enbridge regarding collective account reversal.
05/08/2020	Anne Baptiste	Process disbursement requests (EFT).
05/08/2020	Arif Dhanani	Call with E. Odeh re contacting utility suppliers and arranging conference calls with Bayshore; review of letter from Ness Law forwarded by Chaitons and email to S. Rappos in this regard.
05/08/2020	Echa Odeh	Update phone call with A. Dhanani regarding utilities being transferred to condo corp.
05/11/2020	Arif Dhanani	Review of emails from E. Odeh re discussions with utility suppliers and respond thereto; review of email from MZ re budget and other matters and respond thereto; review of draft email from S. Rappos re lien cost charges, amend same, discuss with S. Rappos and finalize.
05/11/2020	Echa Odeh	Phone calls to Rogers, Alectra Utilities and City of Barrie regarding transfer of accounts to Condo Corp.; calls and email sent to A. Dhanani; reconcile invoices for repairs received from Subhkin and update receipts form for April rent.
05/12/2020	Arif Dhanani	Call with counsel to Tarion Warranty Corporation ("Tarion") re progress and how counsel can facilitate moving issues forward with Tarion; update call with B. Tannenbaum; call with E. Odeh re drafting first report of the Receiver.
05/12/2020	Daniel Weisz	Process e-payment.
05/12/2020	Echa Odeh	Prepare cheque requisition for insurance.
05/12/2020	Anne Baptiste	Prepare bank reconciliation.
05/13/2020	Echa Odeh	Review of documentation and emails to obtain status update on various matters as they relate to the First Report of the Receiver; commence draft of First Report of Receiver.
05/13/2020	Arif Dhanani	Emails to/from B. Tannenbaum and call with same to discuss various matters as they relate to the receivership administration; email to J. Larry re Pensio Property Management Group Inc. ("Pensio"); review of email from J. Larry to B. Keks of Pensio and review of B. Keks' reply.
05/14/2020	Arif Dhanani	Email to H. Chaiton and review of reply from same; review draft Receiver's report outline prepared by E. Odeh, amend same and continue drafting report; email to MZ re legal fees.
05/19/2020	Arif Dhanani	Draft Court report; review letter from Ness Law and email exchange with Chaitons in this regard.
05/19/2020	Echa Odeh	Save Enbridge gas bills to the file; prepare summary of new account numbers and 42 new bills in Excel to calculate payment; prepare cheque requisition and email for EFT payment; emails with Rogers to organize telephone call.
05/19/2020	Bryan Tannenbaum	Receipt and review of S. Rappos email to R. Ness re Bayshore position.
05/20/2020	Echa Odeh	Prepare R&D, prepare affidavit of fees and collate appendices for first report; organize meeting with Rogers and send calendar invite.
05/20/2020	Arif Dhanani	Continue drafting Receiver's report; review and amend statement of receipts and disbursements; send draft report to D. Weisz for review.
05/21/2020	Daniel Weisz	Review and amend report to court.

Date	Professional	Description
05/22/2020	Daniel Weisz	Discussion with A. Dhanani on draft report.
05/22/2020	Arif Dhanani	Review of changes and comments to report from D. Weisz, call with D. Weisz in this regard, incorporate comments as appropriate, send report to Chaitons and Paliare Roland for comments.
05/22/2020	Echa Odeh	Phone call and email to Federated Insurance regarding loss payee.
05/25/2020	Arif Dhanani	Call with Rogers re Fernwood bulk services agreement and assumption by condominium corporation; review of email from Pensio and respond thereto; email to J. Larry re Court report and booking Court date; review of response from Pensio and email to J. Larry in this regard.
05/25/2020	Echa Odeh	Phone call with Rogers and A. Dhanani and draft minutes thereto; phone call and email with Mary-Lyn Gervais at City of Barrie to organize conference call with A. Dhanani; prepare cheque requisition for expenses.
05/26/2020	Daniel Weisz	Process electronic payments.
05/26/2020	Arif Dhanani	Review of email from and respond to party interested in purchasing unsold units; facilitate payment of Enbridge Gas and City of Barrie water bills; call with City of Barrie regarding water account, Simcoe Standard Condominium Corporation and assumption of water account; call with S. Rappos regarding Receiver's report and Court date; email exchange with B. Keks.
05/27/2020	Echa Odeh	Phone call and email with Subhkin regarding Enbridge gas bill for 248 Unit 4; phone call with Canada Revenue Agency regarding potential Trust Exam and send email to A. Dhanani re same; draft T4s for 2020.
05/27/2020	Arif Dhanani	Review of email from B. Tannenbaum re condo corporation lawyer and property manager and respond thereto; email to Chaitons re Bayshore; review letter agreement between Receiver and Priority Submetering ("Priority") drafted by Chaitons and comment on same.
05/28/2020	Arif Dhanani	Review of letter from Ness Law to Chaitons and Chaitons' response thereto; email to S. Rappos and B. Tannenbaum in this regard; call with S. Rappos re Priority letter agreement, finalize same and send to Priority; email to S. Atkinson re additional funding and review of reply to same; emails to/from E. Odeh re 2020 T4s, CRA trust exam.
05/28/2020	Echa Odeh	Phone call with Subhkin and resend email regarding list of Fernwood units.
05/29/2020	Echa Odeh	Phone call and email with Subhkin regarding 248, Unit 4 gas lines.
05/29/2020	Anne Baptiste	Process/record electronic payments in Ascend; record receipts in Ascend.
		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
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	0.6	\$ 625	\$ 375.00
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	4.6	\$ 595	2,737.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	30.7	\$ 485	14,889.50
Echa Odeh	Senior Associate	17.0	\$ 225	3,825.00
Anne Baptiste	Estate Administrator	0.9	\$ 110	99.00
Total hours and professional fees		<u>53.8</u>		\$ 21,925.50
HST @ 13%				2,850.32
Total payable				\$ 24,775.82

* New rates are effective May 1, 2020 with RSM Canada Limited's new fiscal year.

VISA/MASTERCARD

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

WIRE PAYMENT DETAILS

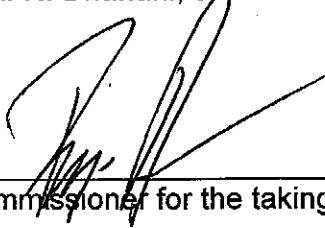
Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
RSM Canada Limited

EXHIBIT "B"

**Calculation of Average Hourly Billing Rates of
RSM Canada Limited**

This is Exhibit "B" to the Affidavit of
Arif N. Dhanani, sworn on June 30, 2020



A Commissioner for the taking of Affidavits, etc.

Dryan Allan Lammbaum, a Commissioner, c.s.
Province of Ontario, for RSM Canada Ltd.
and RSM Canada Limited.
Expires January 5, 2021

EXHIBIT "B"

**Calculation of Average Hourly Billing Rates of
RSM Canada Limited
for the Period February 6, 2020 to May 31, 2020**

Invoice No.	Billing Period	Total Fees	Disbursements	HST	Hours	Average Hourly Rate	Total
1	February 6, 2020 to March 31, 2020	\$ 52,883.50	\$ -	\$ 6,874.86	149.30	\$ 354.21	\$ 59,758.36
Disbursement 1	February 6, 2020 to March 31, 2020	\$ -	\$ 221.61	\$ 28.81	-	\$ -	\$ 250.42
2	April 1, 2020 to April 30, 2020	\$ 23,895.50	\$ -	\$ 3,106.42	62.90	\$ 379.90	\$ 27,001.92
3	May 1, 2020 to May 31, 2020	\$ 21,925.50	\$ -	\$ 2,850.32	53.80	\$ 407.54	\$ 24,775.82
	Total fees	\$ 98,704.50	\$ 221.61	\$ 12,860.39	266.00	\$ 371.07	\$ 111,786.50

APPENDIX W

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

BETWEEN:

MARSHALLZEHR GROUP INC.

Applicant

-and-

FERNWOOD DEVELOPMENTS (ONTARIO) CORPORATION

Respondent

AFFIDAVIT OF SARITA SANASIE

(Sworn June 30, 2020)

I, Sarita Sanasie, of the City of Toronto, 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 Hailey dated February 12, 2020 (the "**Appointment Order**"), RSM Canada Limited was appointed as the receiver (the "**Receiver**") without security, of all of the assets, undertakings and properties of Fernwood Developments (Ontario) Corporation ("**Fernwood**" or the "**Debtor**") acquired for, or used in relation to a business carried on by Fernwood, including all proceeds thereof (the "**Property**").
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 March 3, 2020 to May 31, 2020. The Dockets describe the services provided and the amounts charged by Paliare Roland.

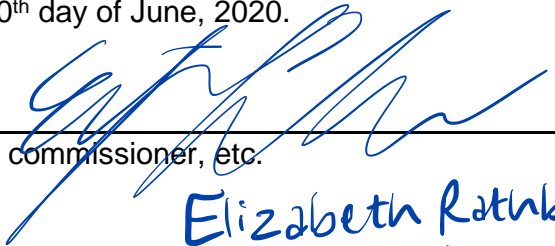
4. The following is a summary of the professionals whose services are reflected in the Dockets, including hourly rates, fees billed, hours billed and the average hourly rate charged by Paliare Roland. The hourly rates charged are the usual hourly rates charged by Paliare Roland for the listed professionals.


Professional	Hourly Rate	Hours Billed	Fees Billed
Jeff Larry, Partner, 2001 Call	\$725/hr	11.80	\$8,555.00
Elizabeth Rathbone, Associate, 2016 Call	\$475/hr	18.60	\$8,835.00
Alysha Shore	\$585/hr	0.70	\$ 409.50
Jacqueline Cummins, Law Clerk	\$220/hr	12.80	\$2,816.00
Subtotal			\$ 20,615.50

5. Inclusive of HST (\$2,960.01) and disbursements (\$2,221.60), the total amount of the Dockets are **\$25,797.11**.

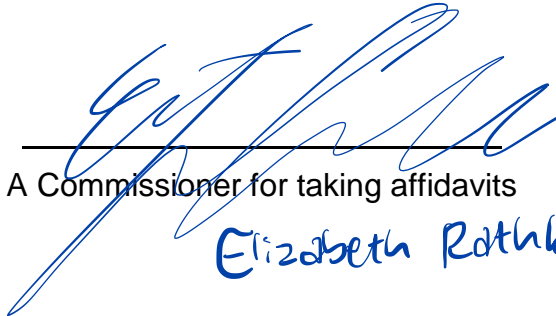
SWORN BEFORE ME via
videoconference at the City of Toronto, in)
the Province of Ontario this)
30th day of June, 2020.)

A commissioner, etc.


Elizabeth Rathbone
LSO # 70331U


Sarita Sanasie

**This is EXHIBIT "A" referred to in
the Affidavit of
Sarita Sanasie
sworn before me this 30th day of June, 2020**



A Commissioner for taking affidavits
Elizabeth Rathbone



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

March 31, 2020
Invoice No.: 95680
Our File No.: 6595-97267

Attention: Arif Dhanani

RE: Fernwood Developments (Ontario) Corporation

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending March 31, 2020:

Total Fees	\$ 13,620.50
Non Taxable Disbursements	67.83
Total Disbursements subject to HST	2,153.77
Total HST	2,050.66

INVOICE TOTAL	\$ 17,892.76
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PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per:

A handwritten signature in blue ink, appearing to read 'J. Larry'.

Jeffrey Larry



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March 31, 2020
Invoice No.: 95680
Our File No.: 6595-97267

Attention: Arif Dhanani

RE: Fernwood Developments (Ontario) Corporation

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending March 31, 2020:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
03/03/20	JL	Review Statement of Claim; consider issues re: dealing with claim;	725.00	0.50	362.50
03/03/20	ER	Review case background materials; meet with J Larry re same;	475.00	0.60	285.00
05/03/20	JL	Call with A. Dhanani; discussion with E. Rathbone; consider issues;	725.00	0.40	290.00
09/03/20	ER	Review claim; review supporting documents to application;	475.00	1.40	665.00
11/03/20	JC	Corporate searches	220.00	0.60	132.00
11/03/20	JL	Discussion with E. Rathbone re: opinion; review and consider issues re: claim against MarshallZehr;	725.00	0.40	290.00
11/03/20	ER	Confer with J Larry re status; e- mails with J Cummins re mortgage check;	475.00	0.20	95.00
12/03/20	JC	Email exchanged with E. Rathbone; telephone call to ESC corporate services; performing corporate searches; discussion with E. Rathbone;	220.00	2.60	572.00

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
13/03/20	JC	Performing multiple property searches; telephone calls with ESC; reviewing and providing details from search results for opinion letter; telephone call with E. Rathbone;	220.00	6.10	1,342.00
13/03/20	ER	Prepare mortgage opinion; review searches re same; multiple calls and confers with J Cummins re same;	475.00	3.30	1,567.50
14/03/20	JC	Performing corporate searches; emails with E. Rathbone;	220.00	1.40	308.00
15/03/20	JC	Preparing summary of search results for opinion letter;	220.00	1.10	242.00
15/03/20	ER	Calls and e-mails with J Cummins re searches; conduct research re vehicle priority/lease issue; review mortgage and lease documents; review searches;	475.00	3.70	1,757.50
16/03/20	JC	VIN index search and PPSA search;	220.00	0.10	22.00
16/03/20	ER	E-mails with S Rappos, J Cummins re mortgage review;	475.00	0.20	95.00
17/03/20	JC	Corporate searching; telephone call to ESC;	220.00	0.90	198.00
17/03/20	ER	Review vehicle search; review and revise mortgage opinion re same; internal e-mails re same;	475.00	1.20	570.00
18/03/20	ER	Review client documents; review claim; call with J Larry re same; call with RSM, J Larry re status and strategy; draft mortgage opinion;	475.00	2.50	1,187.50
19/03/20	JL	Call with B. Tannenbaum and A. Dhanani; call with Chaitons;	725.00	1.00	725.00

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
		correspondence with E. Rathbone; correspondence to RSM;			
19/03/20	ER	Review claim, correspondence, caselaw re auctions; call with J Larry, Chaitons re same;	475.00	0.90	427.50
20/03/20	JL	Call with A. Dhanani; review correspondence;	725.00	0.60	435.00
23/03/20	JL	Draft letter to counsel; email correspondence with A. Dhanani;	725.00	0.70	507.50
24/03/20	JL	Various email correspondence;	725.00	0.30	217.50
27/03/20	JL	Call with A. Dhanani re: [REDACTED] [REDACTED]; call with A. Shore; review correspondence from I. Duncan;	725.00	0.60	435.00
27/03/20	ER	Call with J Larry re status;	475.00	0.10	47.50
27/03/20	AS	Call with J. Larry re [REDACTED]; review relevant correspondence; email to client re [REDACTED];	585.00	0.70	409.50
30/03/20	JL	Call with A. Dhanani; review draft Receiver's report;	725.00	0.60	435.00

TIME SUMMARY

MEMBER	POSITION	HOURS	RATE	VALUE
Jeffrey Larry (JL)	Partner	5.10	725.00	3,697.50
Elizabeth Rathbone (ER)	Associate	14.10	475.00	6,697.50
Jacqueline Cummins (JC)	Law Clerk	12.80	220.00	2,816.00
Alysha Shore (AS)	Associate	0.70	585.00	409.50

OUR FEES	\$ 13,620.50
HST at 13%	1,770.67

Non Taxable Disbursements:

Search Disbursement - Non-taxable	67.83
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Taxable Disbursements:

Laser Copies	7.00
Search Disbursement	2,146.77

Total Taxable Disbursements	2,153.77
HST at 13%	279.99

INVOICE TOTAL	\$ 17,892.76
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Private and Confidential
RSM Canada Limited
11 King Street West, Suite 700
Box 27
Toronto, Ontario M5H 4C7

March 31, 2020
Invoice No.: 95680
Our File No.: 6595-97267

Attention: Arif Dhanani

RE: Fernwood Developments (Ontario) Corporation

**REMITTANCE COPY
PLEASE REMIT WITH PAYMENT**

Total Fees	\$ 13,620.50
Non Taxable Disbursements	67.83
Total Disbursements subject to HST	2,153.77
Total HST	<u>2,050.66</u>
INVOICE TOTAL	<u><u>\$ 17,892.76</u></u>



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Toronto, Ontario M5H 4C7

April 30, 2020
Invoice No.: 96368
Our File No.: 6595-97267

Attention: Arif Dhanani

RE: Fernwood Developments (Ontario) Corporation

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending April 30, 2020:

Total Fees	\$ 4,550.00
Total HST	591.50
	<hr/>
INVOICE TOTAL	\$ 5,141.50
	<hr/> <hr/>

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per:

A handwritten signature in blue ink, appearing to read 'Jeffrey Larry', written over a horizontal line.

Jeffrey Larry



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April 30, 2020
Invoice No.: 96368
Our File No.: 6595-97267

Attention: Arif Dhanani

RE: Fernwood Developments (Ontario) Corporation

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending April 30, 2020:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
03/04/20	JL	Review correspondence and prepare letter to I. Duncan; correspondence with A. Dhanani about the letter and finalize letters;	725.00	0.70	507.50
06/04/20	JL	Call with A. Dhanani; preparing letter; review correspondence;	725.00	0.30	217.50
07/04/20	JL	Draft letter to I. Duncan; email correspondence with A. Dhanani re letter; review prior correspondence to I. Duncan re: various issues;	725.00	1.00	725.00
14/04/20	JL	Call with A. Dhanani;	725.00	0.20	145.00
16/04/20	JL	Discussions with Receiver; finalize and send email to I. Duncan; consider several issues for recovery from debtors;	725.00	0.40	290.00
20/04/20	JL	Call with A. Dhanani; call with counsel and Marshall Zehr; email to I. Duncan;	725.00	0.80	580.00
23/04/20	JL	Review correspondence from D. Linton; call with A. Dhanani and B. Tannenbaum;	725.00	0.40	290.00
27/04/20	JL	Call with E. Rathbone; call with A. Dhanani;	725.00	0.40	290.00

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
28/04/20	JL	Draft letter to Pensio; correspondence with A. Dhanani; call with E. Rathbone re: [REDACTED];	725.00	0.70	507.50
28/04/20	ER	Consider issues re [REDACTED] [REDACTED] [REDACTED];	475.00	2.10	997.50

TIME SUMMARY

MEMBER	POSITION	HOURS	RATE	VALUE
Jeffrey Larry (JL)	Partner	4.90	725.00	3,552.50
Elizabeth Rathbone (ER)	Associate	2.10	475.00	997.50

OUR FEES	\$ 4,550.00
HST at 13%	591.50

INVOICE TOTAL	<u><u>\$ 5,141.50</u></u>
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April 30, 2020
Invoice No.: 96368
Our File No.: 6595-97267

Attention: Arif Dhanani

RE: Fernwood Developments (Ontario) Corporation

**REMITTANCE COPY
PLEASE REMIT WITH PAYMENT**

Total Fees	\$ 4,550.00
Total HST	591.50

INVOICE TOTAL	\$ 5,141.50
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June 30, 2020
Invoice No.: 97103
Our File No.: 6595-97267

Attention: Arif Dhanani

RE: Fernwood Developments (Ontario) Corporation

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending May 25, 2020:

Total Fees	\$ 2,445.00
Total HST	317.85
INVOICE TOTAL	<u><u>\$ 2,762.85</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



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

June 30, 2020
Invoice No.: 97103
Our File No.: 6595-97267

Attention: Arif Dhanani

RE: Fernwood Developments (Ontario) Corporation

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending May 25, 2020:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
01/05/20	ER	Conduct research re [REDACTED]; review client documents re same; prepare summary e-mail memo to J Larry re same;	475.00	2.40	1,140.00
04/05/20	JL	Call with A. Dhanani; review and consider correspondence;	725.00	0.50	362.50
05/05/20	JL	Research re: [REDACTED] [REDACTED]; call wit S. Rappos;	725.00	0.30	217.50
06/05/20	JL	Review materials; conference call with Receiver and counsel; call with S. Rappos;	725.00	0.70	507.50
25/05/20	JL	Various email correspondence with A. Dhanani;	725.00	0.30	217.50

TIME SUMMARY

MEMBER	HOURS	RATE	VALUE
Rathbone, Elizabeth (ER)	2.40	475.00	1,140.00
Larry, Jeffrey (JL)	1.80	725.00	1,305.00
	<u>4.20</u>		

OUR FEES

\$ 2,445.00

Invoice No.: 97103
Our File No.: 6595-97267
Page No.: 2

HST at 13%

317.85

INVOICE TOTAL

\$ 2,762.85



35th Floor
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RSM Canada Limited
11 King Street West, Suite 700
Box 27
Toronto, Ontario M5H 4C7

June 30, 2020
Invoice No.: 97103
Our File No.: 6595-97267

Attention: Arif Dhanani

RE: Fernwood Developments (Ontario) Corporation

**REMITTANCE COPY
PLEASE REMIT WITH PAYMENT**

Total Fees	\$ 2,445.00
Total HST	317.85

INVOICE TOTAL

\$ 2,762.85
