

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

FERNWOOD DEVELOPMENTS (ONTARIO) CORPORATION

Respondent

**RESPONDING MOTION RECORD**  
**[MOTION FOR APPROVAL OF SALE TRANSACTION]**

May 6, 2021

**DUNCAN, LINTON LLP**

Barristers & Solicitors

45 Erb Street East

Waterloo, Ontario

N2J 1L7

Irwin A. Duncan (LSO #12857G)

e: iad@kwlaw.net

Peter A. Hertz (LSO #56391N)

e: phertz@kwlaw.net

t: (519) 886-3340

f: (519) 886-8651

Lawyers for Fernwood Developments (Ontario)  
Corporation, Jordan Zukowski and Rudi  
Zukowski

TO: **SERVICE LIST**

## **SERVICE LIST**

(current as of February 16, 2021)

<p><b>CHAITONS LLP</b> 5000 Yonge Street, 10<sup>th</sup> Floor Toronto, ON M2N 7E9</p> <p><b>Harvey Chaiton and Sam Rappos</b> Tel: (416) 218-1129 / (416) 218-1137 Fax: (416) 218-1849 / (416) 218-1837 E-mail: harvey@chaitons.com / samr@chaitons.com</p> <p><b>Lawyers for MarshallZehr Group Inc. and RSM Canada Limited</b></p>	<p><b>RSM CANADA LIMITED</b> 11 King St. West, Suite 700, Box 27 Toronto, ON M5H 4C7</p> <p><b>Bryan Tannenbaum and Arif Dhanani</b> Tel: (416) 238/5055 / (647) 725-0813 Fax: (416) 480-2646 Email: bryan.tannenbaum@rsmcanada.com / arif.dhanani@rsmcanada.com</p> <p><b>Court-appointed Receiver</b></p>
<p><b>PALIARE ROLAND</b> 155 Wellington Street West, 35th Floor Toronto, ON M5V 3H1</p> <p><b>Jeffrey Larry</b> Tel: (416) 646-4330 Fax: (416) 646-4301 Email: jeff.larry@paliareroland.com</p> <p><b>Lawyers for RSM Canada Limited</b></p>	<p><b>DUNCAN, LINTON LLP</b> 45 Erb St. E., PO Box 457, Stn. Waterloo Waterloo, ON N2J 4B5</p> <p><b>Irwin Duncan</b> Tel: (519) 886-3340 Fax: (519) 886-8651 Email: iad@kwlaw.net</p> <p><b>Lawyers for Fernwood Developments (Ontario) Corporation, and Jordan and Rudi Zukowski</b></p>
<p><b>TARION WARRANTY CORPORATION</b> 5160 Yonge Street, 12th Floor Toronto, ON M2N 6L9</p> <p><b>Tim Schumacher, Vice President &amp; General Counsel</b> E-mail: Tim.Schumacher@Tarion.com</p> <p><b>Danielle Peck, Senior Legal Counsel</b> E-mail: Danielle.Peck@Tarion.com</p>	<p><b>TORYS LLP</b> 79 Wellington Street West, 30th Floor Box 270, TD South Tower Toronto, ON M5K 1N2</p> <p><b>Adam Slavens</b> Tel: (416) 865-7333 Fax: (416) 865-7380 Email: aslavens@torys.com</p> <p><b>Lawyers for Tarion Warranty Corporation</b></p>

<p><b>FRIEDMAN LAW PROFESSIONAL CORPORATION</b> 150 Ferrand Drive, Suite 800 TORONTO, ON M3C 3E5</p> <p><b>Judy Hamilton</b> Tel: (416) 496-3340 ext. 136 Fax: (416) 497-3809 Email: JH@friedmans.ca</p> <p><b>Lawyers for Pensio Property Management Group Inc.</b></p>	<p><b>LIPMAN, ZENER, WAXMAN LLP</b> 100 Sheppard Avenue East, Suite 850, Toronto, ON M2N 6N5</p> <p><b>Allan Lipman</b> Tel: (416) 789-0654 Fax: (416) 789-9015 Email: alipman@lzwlaw.com</p> <p><b>Lawyers for Bank of Montreal</b></p>
<p><b>BAYSHORE PROPERTY MANAGEMENT INC.</b> 11 Ferris Lane Barrie, ON L4M 5N6</p> <p><b>Laura MacPhee</b> Tel: (705) 722-3700 Ext: 235 Fax: (705) 722-6242 Email: lmacphee@bpmgmt.ca</p> <p><b>Property Manager</b></p>	<p><b>HODISLAW</b> 62 Camelot Square Barrie, ON L4M 0C2</p> <p><b>Sonja Hodis</b> Tel: (705) 737-4403 Fax: (705) 300-2599 Email: sonja@hodislaw.com</p> <p><b>Lawyers for Simcoe Standard Condominium Corporation No. 420</b></p>
<p><b>PAUL J. DAFFERN LAW FIRM</b> 48 High Street Barrie, ON L4N 1W4</p> <p><b>Paul Daffern</b> Tel: (705) 725-9670 Fax: (705) 725-8764 Email: paul.daffern@daffernlaw.com</p> <p><b>Lawyers for 1267989 Ontario Inc. o/a Duncan Drywall and Jeff McEver Plumbing and Contracting</b></p>	<p><b>RZCD LAW FIRM LLP</b> 700-77 City Centre Drive Mississauga, ON L5B 1M5</p> <p><b>James Smith</b> Tel: (905) 848-6100 x 228 Fax: (905) 896-1111 E-mail: jsmith@rzcdlaw.com</p> <p><b>Lawyers for Mack Constructions Inc.</b></p>
<p><b>MILLER THOMSON LLP</b> Accelerator Building 295 Hagey Blvd., Suite 300 Waterloo, ON N2L 6R5</p>	<p><b>MILLER THOMSON LLP</b> Ontario AGRICentre 100 Stone Road West, Suite 301 Guelph, ON N1G 5L3</p>

<p><b>Timothy McGurrin</b>  Tel: (519) 579-3660  Fax: (519) 743-2540  Email: tmcgurrin@millerthomson.com</p> <p><b>Lawyers for Priority Mechanical Services Ltd.</b></p>	<p><b>Michael McCluskey</b>  Tel: (519) 780-4659  Fax: (519) 822-1583  Email: mmcccluskey@millerthomson.com</p> <p><b>Lawyers for 224214 Ontario Ltd. o/a Nezz Electric and Grounded Electrical Services</b></p>
<p><b>GOWLING WLG (CANADA) LLP</b>  50 Queen Street North  P.O. Box 2248, Suite 1020  Kitchener, ON N2H 6M2</p> <p><b>Rosa Lupo</b>  Tel: (519) 575-7511  Fax: (519) 571-5011  E-mail: rosa.lupo@gowlingwlg.com</p> <p><b>Lawyers for 2150659 Ontario Inc. o/a Keller Williams</b></p>	<p><b>DOOLEY LUCENTI LLP</b>  10 Checkley Street  Barrie, ON L4N 1W1</p> <p><b>Andrew Wood</b>  Tel: (705) 792-7963  Fax: (705) 792-7964  Email: awood@dllaw.ca</p> <p><b>Lawyers for 2122201 Ontario Ltd. carrying on business as McKick Masonry and Wolfenden Construction Inc.</b></p>
<p><b>DEPARTMENT OF JUSTICE CANADA</b>  Ontario Regional Office  120 Adelaide Street West, Suite 400  Toronto, ON M5H 1T1</p> <p><b>Diane Winters and Pat Confalone</b>  Tel: (416) 973-3172  Fax: (416) 973-0810  Email: Diane.Winters@justice.gc.ca / Pat.Confalone@justice.gc.ca</p> <p><b>Lawyers for Canada Revenue Agency</b></p>	<p><b>HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE</b>  Insolvency Unit  33 King Street West  Oshawa, ON L1H 8H5</p> <p>Email: insolvency.unit@ontario.ca</p>
<p><b>MARK GONNEAU</b>  Keller Williams Advantage Realty  1238 Queen Street East  Toronto, Ontario  Tel: (416) 995-2049  Email: info@markgonneau.com</p>	<p><b>STIKEMAN ELLIOTT LLP</b>  5300 Commerce Court West  199 Bay Street  Toronto, ON M5L 1B9</p> <p><b>Elizabeth Pillon</b>  Tel: (416) 869-5623  Email: lpillon@stikeman.com</p> <p><b>Lawyers for SV Law</b></p>

<b>CITY OF BARRIE</b> c/o Mary Lyn Gervais, Billing Analyst Email: Mary-Lyn.Gervais@barrie.ca	
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Court File No. CV-20-00635523-00CL

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- and -

FERNWOOD DEVELOPMENTS (ONTARIO) CORPORATION

Respondent

**AFFIDAVIT OF JORDAN ZUKOWSKI**

I, Jordan Zukowski, of the City of Guelph, MAKE OATH AND SAY:

**INTRODUCTION**

1. I am the president of Fernwood Developments (Ontario) Corporation (“**Fernwood**”), and, as such, have knowledge of the matters contained in this affidavit.
2. I also have an interest in this matter as a personal guarantor of the indebtedness of Fernwood to the Applicant, MarshallZehr Group Inc. (“**MarshallZehr**”).
3. The matters deposed to herein are within my personal knowledge except where otherwise indicated. Where I indicate that I have obtained information from other sources, I believe that information to be true. Copies of documents attached hereto as exhibits are true copies of the documents so identified.

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4. I make this affidavit in response to the Motion of the Receiver, RSM Canada Limited (“**RSM**”), and to the Third Report of the Receiver, dated April 30, 2021 (the “**Third Report**”).

5. I have reviewed the Asset Purchase Agreement found at Appendix “E” to the Third Report (the “**APA**”) and note that the secured indebtedness of Fernwood to MarshallZehr is asserted as being \$26,423,579.49 for principal and interest in section 1.1(ss) of the APA, and that a portion of the purchase price will be satisfied by applying \$24,929,000 of that purported indebtedness.

6. Fernwood is not indebted to MarshallZehr in the amount of \$26,423,579.49, nor any amount equal to or in excess of \$24,949,000

7. The quantum of Fernwood’s indebtedness to MarshallZehr is in issue in litigation commenced by MarshallZehr to enforce my guarantee (and that of my Father, Rudi Zukowski), and that quantum has not yet been determined in that (or any other) proceeding. MarshallZehr did not seek such a determination in its Notice of Application in this proceeding.

8. I have disputed, and continue to dispute, the quantum of Fernwood’s indebtedness to MarshallZehr, including because it appears to include advances made by MarshallZehr from the credit facilities at issue to third parties, in particular Nationwide Rentsure Canada Corporation (“**Nationwide**”) or entities related to it, including Ai Guarantee Inc. (“**Ai**”), RentSure Membership (Canada) Corporation (“**Rentsure**”), and Pensio Property Management Group Inc. (all of which are referred to herein collectively as “**Pensio**”).

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9. Those advances were purportedly made as pre-payments on rental guarantee contracts with Pensio (or its predecessors) for units in a condominium project Fernwood was constructing (the “**Project**”), copies of which I attach hereto as Exhibits “A” and “B”. Those contracts were entered into by Fernwood at the direction of Marshall Zehr.

**Exhibit “A”:**           **5 Year Rental Guarantee Agreement, dated December 19, 2016**

**Exhibit “B”:**           **5 Year Rental Guarantee Agreement, dated May 1, 2017**

10. Key terms of both contracts include:

- (a) purchasers of units from Fernwood would receive an option for a rent guarantee guaranteeing the payment of rent at a fixed minimum amount for a period of five years; and,
- (b) Fernwood would pay a fee of 6% of the purchase price to Pensio for a given unit for the granting of this option, with a portion due upon execution of an agreement of purchase and sale, and a portion due upon closing.

11. In other words, no payment was due until a unit was sold, with that payment being a function of the purchase price of the unit.

12. 36 of the 94 units in the Project have been sold. The fees on those units were paid by Fernwood on January 10, 2017, in the amount of \$314,912.92, and on February 23, 2017, in the amount of \$287,920.61, as reflected in the reconciliation provided by Pensio to RSM, a copy of which I attach as Exhibit “C”. I note that despite the payment of that amount (and

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despite the Receivership Order), Pensio purported to cancel the rent guarantees for those units on March 26, 2020, to the knowledge of RSM, despite the requisite fees having been paid.

**Exhibit “C”:            Rental Income Program Fees (pre-HST) for Blocks 1-6**

13.     26 of the units that were ready for occupancy but not sold by Fernwood resulted in payments to Pensio of \$113,000 (June 23, 2017) and \$137,789.60 (December 20, 2017). This was determined on a pre-determined future sales price on agreement of MarshallZehr and Pensio. Fernwood supported the June 23, 2017 payment, but the December 20, 2017 payment was made unilaterally by MarshallZehr at a time when it was not approving trade payments that Fernwood sought payment of and that the Project cost consultant had approved.

14.     This payment to Pensio was not approved by the Project cost consultant, it was not in Fernwood’s interests for this advance to be made and, in any event, Fernwood had secured tenants for the units covered by that payment by that time, rendering the guarantee program of no benefit to Fernwood. Unlike ordinary trade payments, which were made by cheque, MarshallZehr made the unilateral December 20, 2017 payment by wire transfer, as shown in the spreadsheet attached as Exhibit “D”, which is an internal MarshallZehr document that was provided to me.

**Exhibit “D”:            Spreadsheet prepared by MarshallZehr**

15.     Out of a draw on May 11, 2018, MarshallZehr issued payment to Pensio (specifically, the Nationwide entity) in the amount of \$373,654. The broader draw that this payment formed a part of is shown on that date in Exhibit “D” as well.

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16. This was for units in the Project that were not even built yet. This payment was not requested by Fernwood, approved by the Project cost consultant, nor contractually due to Pensio. Additionally, with construction ongoing, this payment was also harmful to Fernwood, which required this money for payment of trades in order to advance the Project.

17. This payment was made via a “positive pay” system that MarshallZehr required be utilized for the loans at issue. Although the payments were issued from an account in Fernwood’s name, that account was controlled by MarshallZehr, which had the power to issue payments unilaterally and to refuse the issuance of any payment that Fernwood sought to have made.

#### **RENTS COLLECTED**

18. As of June 2017, Pensio, with the consent and approval of MarshallZehr, began collecting and retaining the rents from the Fernwood-owned units, despite the fact that MarshallZehr held a registered General Assignment of Leases and Rents. It is not in dispute that Pensio collected a significant amount of money in this fashion (above and beyond a contractual property management fee). I note that RSM identified this unusual arrangement at paragraph 43(c) of its First Report.

19. As the Project encountered difficulty in late 2017, MarshallZehr directed Fernwood to transfer complete control of the Project to Pensio, failing which I was advised that a receiver would be appointed. MarshallZehr represented that Pensio had arranged for a sale of the remaining units in the Project (both those constructed, and those awaiting completion) to an entity related to it. In reliance on this representation, Fernwood agreed to this as a way to exit

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the Project and in December 2017, Pensio took control of the Project, including the authorization of invoices for payment (in conjunction with MarshallZehr). Fernwood entered into subsequent agreements with Pensio in relation to the management of the Project in reliance on the representations about a pending block sale that were made to it by MarshallZehr and Pensio.

20. Despite the fact that Pensio was in actual control of the Project as though the contemplated sale of the Project had taken place, the sale of the remaining Fernwood-owned units to Pensio (or an entity related to it) never took place.

21. According to the accounting that Pensio provided to the Receiver, it collected and retained rents as follows:

<b>Time Period</b>	<b>Amount</b>
June 2017-April 2018	\$345,970
June 1, 2018 to July 31, 2018	\$135,000
August 1-31, 2018	\$65,000
September 1, 2018 to November 2019	<u>\$975,000</u>
<b>Total</b>	<u><b>\$1,520,970</b></u>

22. The Pensio accounting does not include amounts collected for the months of December 2019, January 2020 or February 2020, at \$65,000 per month, resulting in a further \$195,000 in rent being collected by Pensio for that three month period.

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23. As set out above, Pensio has already been overpaid as a result of the May 11, 2018 payment that MarshallZehr unilaterally made to it out of funds purportedly loaned to Fernwood. Given that Pensio has been overpaid, that MarshallZehr held an Assignment of Rents, and that Pensio collected these amounts as a result of the directions and representations of MarshallZehr, it is my position that these amounts (less the contractual property management fee) should properly reduce the Fernwood indebtedness or otherwise constitute a set-off against that indebtedness.

24. The accounting in this matter is complex. In preparing this affidavit I have relied on what information has been made available to me by MarshallZehr and information provided by RSM in its reports. Production and discovery will be required to properly determine the quantum of Fernwood's indebtedness to MarshallZehr.

25. I recognize that, in a vacuum, it may seem inexplicable that a secured creditor would facilitate a third party receiving amounts properly due to the secured creditor.

26. After the fact, I was advised by Pete Waters, a former consultant to Pensio, that Pensio was assisting MarshallZehr with a problem project MarshallZehr had financed in Woodstock, Ontario, at the same time as the Project. I was advised by Pete Waters, and verily believe, that Pensio, with the concurrence of MarshallZehr, actually directed potential investor-purchasers from the Project to the Woodstock project (to the detriment of Fernwood). Accordingly, it appears that the preferential treatment MarshallZehr granted to Pensio (to the detriment of Fernwood) was in accordance with MarshallZehr's broader interests.

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27. Despite request by Fernwood's counsel (coupled with an offer to enter into a suitable non-disclosure agreement), made initially on February 12, 2021, and repeated thereafter, Fernwood and its counsel have no particulars of the bids received by RSM during the Court-approved sales process. That said, I accept RSM's statement that the aggregate consideration for all of the Purchased Assets is materially in excess of any realization that RSM as receiver could otherwise expect to achieve, and I do not oppose the proposed sale being approved subject to terms that recognize the unresolved dispute regarding the quantum of the indebtedness and which protect the guarantors rights in that regard.

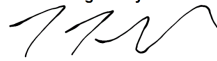
28. Accordingly, if the Court deems it appropriate to approve the proposed sale, the Court should make clear that any such Order is without prejudice to Fernwood's position (as well as the position of Fernwood's guarantors) as to the quantum of the indebtedness and any arguments Fernwood may have that it is in fact less than what MarshallZehr asserts.

Township of North Dumfries  
**SWORN** by Jordan Zukowski of the City of  
 Guelph, before me at the ~~City of Waterloo~~, in  
 the Regional Municipality of Waterloo, on  
 ....May 6....., 2021, in accordance with  
 O. Reg. 431/20.

DocuSigned by:  
**ARos**  
 187ACCCD7DF4413...

*Commissioner for Taking Affidavits*

Adrian L. Rosu  
 (LSO #79146V)

DocuSigned by:  
  
 6219267914C94D2...

**JORDAN ZUKOWSKI**

This is Exhibit "A" referred to in the Affidavit of  
Jordan Zukowski, sworn May 6, 2021

DocuSigned by:  
  
187ACCCD7DF4413...

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

Adrian L. Rosu  
(LSO #79146V)

**FERNWOOD DEVELOPMENTS (ONTARIO) CORPORATION (the "Developer")**  
**5 YEAR RENTAL GUARANTEE AGREEMENT (this "Agreement")**

**(1) DEFINITIONS:**

"Lease Option" means the option exercisable by the Purchaser to have Ai Guarantee Inc. guarantee payment of rent for the Unit, pursuant to the terms of the Lease Option Agreement;

"Lease Option Agreement" means the agreement containing the terms of the Lease Option, which agreement is included as a schedule in the Purchase Agreements; D1

"Project" means the ~~freehold~~ condominium stacked townhomes 11 low-rise development located on the Property; D2

"Property" means the property municipally known as 85 Sydenham Wells/254 Pentanguishene 11 Pentanguishene Rd., Barrie, Ontario; + individually known as 242, 244, 246, 248, 250, 252 Pentanguishene Road in Barrie Ontario. 11

"Purchaser" means a purchaser who has entered into a Purchase Agreement for the purchase of a Unit in the Project;

"Purchase Agreements" means the agreements of purchase and sale entered into by purchasers and the Developer, for the purchase of Units and any amendments thereto and "Purchase Agreement" means any one of the Purchase Agreements;

"Purchase Price" means the purchase price of a Unit, as defined in a Purchase Agreement; and D3

"Unit" means a ~~freehold~~ condominium 4-bedroom stacked townhome 11 student housing residence; and

"Unit List" has the meaning ascribed to it in Section (3) hereof

(2) Ai Guarantee Inc. shall arrange for the following to be made available by RentSure Membership (Canada) Corporation to Ai Guarantee Inc. for each Unit in the Project listed in the Unit List:

- (a) upon the exercise of the Lease Option by the Purchaser, a rent guarantee guarantying the payment of rent at the monthly rent amount set out in the Lease Option Agreements (the "Rent Guarantee"), for a period of five (5) years (the "Guarantee Term") commencing within ninety (90) days after the Unit is capable of being occupied and leased pursuant to the terms of the Purchase Agreements; and
- (b) upon the exercise of the Lease Option by the Purchaser, membership in a rent protection program for the Guarantee Term which membership includes: (i) in the event that the Unit is not tenanted, vacancy guarantee of up to forty eight thousand dollars (\$48,000.00) per year; and (ii) in the event that the Unit is tenanted, (1) rent guarantee arising out of the default of a tenant in paying rent, of up to one hundred thousand dollars (\$100,000.00) per year, (2) negligent and wilful damage guarantee of up to ten thousand dollars (\$10,000.00) per year, and (3) eviction and collection costs (including legal costs) incurred by the Guarantor in enforcing its subrogation rights set out in the Lease Option Agreements, all of the foregoing being subject to terms and conditions of the membership.

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(3) In consideration for the above, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Developer:

(a) hereby covenants and agrees to pay to Ai Guarantee Inc., or as it may direct in writing, a non-refundable fee equal to 6% of the Purchase Price less any HST included in the Purchase Price as shown in each Purchase Agreement, plus HST or other applicable sales and services tax (the "Fee"), as follows:

- i. 2.5% of the Purchase Price plus applicable HST payable upon execution of this Agreement, defined in schedule B; and
- ii. 3.5% of the Purchase Price plus applicable HST payable forthwith after the closing and transfer of title to each Unit from the Developer to the Purchaser pursuant to each Purchase Agreement;

The Developer and Ai Guarantee Inc. shall agree on the Units in the Project which shall be subject to the Rent Guarantee and such Units shall be set out in Schedule "A" hereof together with the Purchase Prices for each Unit listed therein and the Developer shall confirm to Ai Guarantee Inc. that such list is true and accurate in all respects as at the date of this Agreement (the "Unit List").

(b) hereby grants its irrevocable consent to Ai Guarantee Inc. and any assignees of Ai Guarantee Inc. (the "lessee"), upon exercise by a Purchaser of the Lease Option, to lease each Unit identified in the Unit List from the Purchasers thereof including all locker units, parking units and any other units purchased by the Purchaser together with the Unit pursuant to the terms of the Lease Option Agreement. The Developer further consents to the lessee subleasing the Unit from time to time. The Developer reserves the right to access the Unit for the purpose of completing its repair obligations under the Purchase Agreements; and

(c) acknowledges and agrees that the Rent Guarantee shall terminate if the Lease Option is not exercised by the Purchaser pursuant to the terms of the Lease Option Agreement, and notwithstanding the foregoing, the Developer shall still be liable to pay the full amount of the Fee as set out in subsection (3)(a) hereof without deduction or setoff.

(4) Any notice or other communication required or permitted to be given under this Agreement shall be in writing, delivered by email, courier or registered mail:

(a) in the case of the Developer, to:

Address: 5555-5th line, Richmond, Ont. N0B2K0

Email: r2ukowski@sympatico.ca

(b) in the case of the Guarantor, to:

Address: 38 Greenboro Drive, 2<sup>nd</sup> Fl, Toronto, ON, M8V2H5.

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Email:

don@bondsurety.ca

Notices delivered by hand or overnight courier service or registered mail, shall be deemed to have been given when received. Notices sent by electronic communication shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Either party may change its address for notice purposes by notice to the other party delivered in accordance with the provisions of this Section.

- (5) Time shall be of the essence with respect to each term and condition of this Agreement.
- (6) This Agreement may be signed in several counterparts including by pdf or electronic format, each of which shall be deemed an original, and all of which shall constitute one and the same document.
- (7) There shall be no amendments to this Agreement unless such amendment is in writing and signed by all parties hereto.

Dated this 19th day of December, 2016.

**Ai Guarantee Inc.**

Per:



Name: Don Miller  
Title: Authorized Signing Officer

I have the authority to bind the Corporation.

**Fernwood Developments (Ontario)  
Corporation**

Per:



Name:  
Title: Authorized Signing Officer

I have the authority to bind the Corporation.

**Confirmation**

TO: Ai Guarantee Inc.

The undersigned, Fernwood Developments (Ontario) Corporation, hereby confirms to Ai Guarantee Inc. that the information contained in Schedule "A" is true and accurate in all aspects as at the date hereof.

DATED the 19th day of December, 2016.

**Fernwood Developments (Ontario) Corporation**

Per:

Name:

Jordan Zukowski

Title: Authorized Signing Officer

I have the authority to bind the Corporation.

**Schedule "A" – Units and Purchase Prices**

<b>School House Sales Summary 5 Year Guarantee</b>						
	<b>Unit Number</b>	<b>Block Number</b>	<b>Floors</b>	<b>Marketing Model Name</b>	<b>Sq. Ft</b>	<b>List price less HST</b>
1	127	1	Main	Graduate	1116	\$318,496
2	128	1	Upper	Post Graduate	1214	\$318,496
3	129	1	Main/Upper	Masters	1440	\$318,496
4	130	1	Main/Upper	Masters	1440	\$318,496
5	131	1	Main/Upper	Masters	1440	\$318,496
6	132	1	Main/Upper	Masters	1440	\$318,496
7	133	1	Main/Upper	Masters	1440	\$318,496
8	134	1	Upper	Post Graduate	1214	\$318,496
9	135	1	Main	Graduate	1116	\$318,496
10	136	1	Lower	Undergraduate	1244	\$318,496
11	137	1	Lower/Upper	Bachelors	1440	\$318,496
12	138	1	Lower/Upper	Bachelors	1440	\$318,496
13	139	1	Lower/Upper	Bachelors	1440	\$318,496
14	140	1	Lower/Upper	Bachelors	1440	\$318,496
15	141	1	Lower/Upper	Bachelors	1440	\$318,496
16	142	1	Lower	Undergraduate	1244	\$318,496
17	143	2	Main	Graduate	1116	\$318,496
18	144	2	Upper	Post Graduate	1214	\$318,496
19	145	2	Main/Upper	Masters	1440	\$318,496
20	146	2	Main/Upper	Masters	1440	\$318,496
21	147	2	Main/Upper	Masters	1440	\$318,496
22	148	2	Main/Upper	Masters	1440	\$318,496
23	149	2	Main/Upper	Masters	1440	\$318,496
24	150	2	Upper	Post Graduate	1214	\$318,496
25	151	2	Main	Graduate	1116	\$318,496
26	152	2	Lower	Undergraduate	1244	\$318,496
27	153	2	Lower/Upper	Bachelors	1440	\$318,496
28	154	2	Lower/Upper	Bachelors	1440	\$318,496
29	155	2	Lower/Upper	Bachelors	1440	\$318,496
30	156	2	Lower/Upper	Bachelors	1440	\$318,496
31	157	2	Lower/Upper	Bachelors	1440	\$318,496
32	158	2	Lower	Undergraduate	1244	\$318,496
33	79	4	Main	Graduate	1116	\$318,496
34	80	4	Upper	Post Graduate	1214	\$318,496
35	81	4	Main/Upper	Masters	1440	\$318,496
36	82	4	Main/Upper	Masters	1440	\$318,496

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37	83	4	Main/Upper	Masters	1440	\$318,496
38	84	4	Main/Upper	Masters	1440	\$318,496
39	85	4	Main/Upper	Masters	1440	\$318,496
40	86	4	Upper	Post Graduate	1214	\$318,496
41	87	4	Main	Graduate	1116	\$318,496
42	88	4	Lower	Undergraduate	1244	\$318,496
43	89	4	Main/Upper	Bachelors	1440	\$318,496
44	90	4	Main/Upper	Bachelors	1440	\$318,496
45	91	4	Main/Upper	Bachelors	1440	\$318,496
46	92	4	Main/Upper	Bachelors	1440	\$318,496
47	93	4	Main/Upper	Bachelors	1440	\$318,496
48	94	4	Lower	Undergraduate	1244	\$318,496
49	65	3	Main	Graduate	1116	\$318,496
50	66	3	Upper	Post Graduate	1214	\$318,496
51	67	3	Main/Upper	Masters	1440	\$318,496
52	68	3	Main/Upper	Masters	1440	\$318,496
53	69	3	Main/Upper	Masters	1440	\$318,496
54	70	3	Main/Upper	Masters	1440	\$318,496
55	71	3	Upper	Post Graduate	1214	\$318,496
56	72	3	Main	Graduate	1116	\$318,496
57	73	3	Lower	Undergraduate	1244	\$318,496
58	74	3	Lower/Upper	Bachelors	1440	\$318,496
59	75	3	Lower/Upper	Bachelors	1440	\$318,496
60	76	3	Lower/Upper	Bachelors	1440	\$318,496
61	77	3	Lower/Upper	Bachelors	1440	\$318,496
62	78	3	Lower	Undergraduate	1244	\$318,496
63	17	6	Main	Graduate	1116	\$318,496
64	25	6	Main	Graduate	1116	\$318,496
65	26	6	Lower	Undergraduate	1244	\$318,496
66	29	6	Lower/Upper	Bachelors	1440	\$318,496
67	32	6	Lower	Undergraduate	1244	\$318,496



**SchoolHouse**  
STUDENT LIVING

Maximum allowable student rental guarantee is \$625 per bed in each rental Unit

School House Sales Summary 5 Year Guarantee								
Unit Number	Block Number	Floors	Marketing Model Name	Sq. Ft	List price less HST	Price per sq. ft.	5 year RentSure fee	RentSure Fee Subtotal by Block
1	127	1 Main	Graduate	1116	\$ 318,496	\$285.39	\$ 19,110	\$ 305,756
2	128	1 Upper	Post Graduate	1214	\$ 318,496	\$262.35	\$ 19,110	
3	129	1 Main/Upper	Masters	1440	\$ 318,496	\$221.18	\$ 19,110	
4	130	1 Main/Upper	Masters	1440	\$ 318,496	\$221.18	\$ 19,110	
5	131	1 Main/Upper	Masters	1440	\$ 318,496	\$221.18	\$ 19,110	
6	132	1 Main/Upper	Masters	1440	\$ 318,496	\$221.18	\$ 19,110	
7	133	1 Main/Upper	Masters	1440	\$ 318,496	\$221.18	\$ 19,110	
8	134	1 Upper	Post Graduate	1214	\$ 318,496	\$262.35	\$ 19,110	
9	135	1 Main	Graduate	1116	\$ 318,496	\$285.39	\$ 19,110	
10	136	1 Lower	Undergraduate	1244	\$ 318,496	\$256.03	\$ 19,110	
11	137	1 Lower/Upper	Bachelors	1440	\$ 318,496	\$221.18	\$ 19,110	
12	138	1 Lower/Upper	Bachelors	1440	\$ 318,496	\$221.18	\$ 19,110	
13	139	1 Lower/Upper	Bachelors	1440	\$ 318,496	\$221.18	\$ 19,110	
14	140	1 Lower/Upper	Bachelors	1440	\$ 318,496	\$221.18	\$ 19,110	
15	141	1 Lower/Upper	Bachelors	1440	\$ 318,496	\$221.18	\$ 19,110	
16	142	1 Lower	Undergraduate	1244	\$ 318,496	\$256.03	\$ 19,110	
17	143	2 Main	Graduate	1116	\$ 318,496	\$285.39	\$ 19,110	
18	144	2 Upper	Post Graduate	1214	\$ 318,496	\$262.35	\$ 19,110	
19	145	2 Main/Upper	Masters	1440	\$ 318,496	\$221.18	\$ 19,110	
20	146	2 Main/Upper	Masters	1440	\$ 318,496	\$221.18	\$ 19,110	
21	147	2 Main/Upper	Masters	1440	\$ 318,496	\$221.18	\$ 19,110	
22	148	2 Main/Upper	Masters	1440	\$ 318,496	\$221.18	\$ 19,110	
23	149	2 Main/Upper	Masters	1440	\$ 318,496	\$221.18	\$ 19,110	
24	150	2 Upper	Post Graduate	1214	\$ 318,496	\$262.35	\$ 19,110	
25	151	2 Main	Graduate	1116	\$ 318,496	\$285.39	\$ 19,110	
26	152	2 Lower	Undergraduate	1244	\$ 318,496	\$256.03	\$ 19,110	
27	153	2 Lower/Upper	Bachelors	1440	\$ 318,496	\$221.18	\$ 19,110	
28	154	2 Lower/Upper	Bachelors	1440	\$ 318,496	\$221.18	\$ 19,110	
29	155	2 Lower/Upper	Bachelors	1440	\$ 318,496	\$221.18	\$ 19,110	

30	156	2	Lower/Upper	Bachelors	1440	\$	318,496	\$221.18	\$	19,110	\$ 305,756
31	157	2	Lower/Upper	Bachelors	1440	\$	318,496	\$221.18	\$	19,110	
32	158	2	Lower	Undergraduate	1244	\$	318,496	\$256.03	\$	19,110	
33	79	4	Main	Graduate	1116	\$	318,496	\$285.39	\$	19,110	
34	80	4	Upper	Post Graduate	1214	\$	318,496	\$262.35	\$	19,110	
35	81	4	Main/Upper	Masters	1440	\$	318,496	\$221.18	\$	19,110	
36	82	4	Main/Upper	Masters	1440	\$	318,496	\$221.18	\$	19,110	
37	83	4	Main/Upper	Masters	1440	\$	318,496	\$221.18	\$	19,110	
38	84	4	Main/Upper	Masters	1440	\$	318,496	\$221.18	\$	19,110	
39	85	4	Main/Upper	Masters	1440	\$	318,496	\$221.18	\$	19,110	
40	86	4	Upper	Post Graduate	1214	\$	318,496	\$262.35	\$	19,110	
41	87	4	Main	Graduate	1116	\$	318,496	\$285.39	\$	19,110	
42	88	4	Lower	Undergraduate	1244	\$	318,496	\$256.03	\$	19,110	
43	89	4	Main/Upper	Bachelors	1440	\$	318,496	\$221.18	\$	19,110	
44	90	4	Main/Upper	Bachelors	1440	\$	318,496	\$221.18	\$	19,110	
45	91	4	Main/Upper	Bachelors	1440	\$	318,496	\$221.18	\$	19,110	
46	92	4	Main/Upper	Bachelors	1440	\$	318,496	\$221.18	\$	19,110	\$ 305,756
47	93	4	Main/Upper	Bachelors	1440	\$	318,496	\$221.18	\$	19,110	
48	94	4	Lower	Undergraduate	1244	\$	318,496	\$256.03	\$	19,110	
49	65	3	Main	Graduate	1116	\$	318,496	\$285.39	\$	19,110	
50	66	3	Upper	Post Graduate	1214	\$	318,496	\$262.35	\$	19,110	
51	67	3	Main/Upper	Masters	1440	\$	318,496	\$221.18	\$	19,110	
52	68	3	Main/Upper	Masters	1440	\$	318,496	\$221.18	\$	19,110	
53	69	3	Main/Upper	Masters	1440	\$	318,496	\$221.18	\$	19,110	
54	70	3	Main/Upper	Masters	1440	\$	318,496	\$221.18	\$	19,110	
55	71	3	Upper	Post Graduate	1214	\$	318,496	\$262.35	\$	19,110	
56	72	3	Main	Graduate	1116	\$	318,496	\$285.39	\$	19,110	
57	73	3	Lower	Undergraduate	1244	\$	318,496	\$256.03	\$	19,110	
58	74	3	Lower/Upper	Bachelors	1440	\$	318,496	\$221.18	\$	19,110	
59	75	3	Lower/Upper	Bachelors	1440	\$	318,496	\$221.18	\$	19,110	
60	76	3	Lower/Upper	Bachelors	1440	\$	318,496	\$221.18	\$	19,110	
61	77	3	Lower/Upper	Bachelors	1440	\$	318,496	\$221.18	\$	19,110	
62	78	3	Lower	Undergraduate	1244	\$	318,496	\$256.03	\$	19,110	\$ 267,537
63	17	6	Main	Graduate	1116	\$	318,496	\$285.39	\$	19,110	
64	25	6	Main	Graduate	1116	\$	318,496	\$285.39	\$	19,110	
65	26	6	Lower	Undergraduate	1244	\$	318,496	\$256.03	\$	19,110	
66	29	6	Lower/Upper	Bachelors	1440	\$	318,496	\$221.18	\$	19,110	\$ 95,549
67	32	6	Lower	Undergraduate	1244	\$	318,496	\$256.03	\$	19,110	
<b>Total</b>							<b>\$21,339,232</b>		<b>\$1,280,353.92</b>	<b>\$1,280,353.92</b>	
<b>Average</b>							<b>\$318,496</b>	<b>\$240.88</b>			
								<b>HST</b>	<b>\$</b>	<b>166,446.01</b>	
								<b>Total Fee Due*</b>	<b>\$</b>	<b>1,446,799.93</b>	

Payment Schedule	Block	Program Fee	HST	Payment Due	Total Payment Due (HST incl)	Payment Due
Payment 1	Block 3	\$ 111,473.60	\$ 14,491.57	\$ 125,965.17	\$ 314,912.92	14-Dec-16
	Block 4	\$ 127,398.40	\$ 16,561.79	\$ 143,960.19		
	Block 6	\$ 39,812.00	\$ 5,175.56	\$ 44,987.56		
Payment 2	Block 1	\$ 127,398.40	\$ 16,561.79	\$ 143,960.19	\$ 287,920.38	31-Jan-17
	Block 2	\$ 127,398.40	\$ 16,561.79	\$ 143,960.19		

This is Exhibit “B” referred to in the Affidavit of  
Jordan Zukowski, sworn May 6, 2021

DocuSigned by:  
**ARos**  
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*Commissioner for Taking Affidavits (or as may be)*

Adrian L. Rosu  
(LSO #79146V)

(Ontario) Corporation 77  
**FERNWOOD DEVELOPMENTS INC. (the "Developer")**  
**11 Additional Pre-Leased Developer Units (the "Units")**  
**5 YEAR RENTAL GUARANTEE AGREEMENT (this "Agreement")**

(1) DEFINITIONS:

**"Developer Indemnity"** means the rental deficiency amount payable on the 20<sup>th</sup> day of each month to Ai Guarantee Inc, by the Developer in the event the Units pre-leased by the Developer is less than rent guaranteed by Ai Guarantee Inc. to the Purchaser, \$2,500 monthly per Unit, in the event the Lease Option agreement is exercised. The Developer Indemnity is the period beginning May 1<sup>st</sup>, 2017 ending April 30<sup>th</sup>, 2018.

**"Lease Option"** means the option exercisable by the Purchaser to have Ai Guarantee Inc. guarantee payment of rent for the Unit, pursuant to the terms of the Lease Option Agreement and the Developer Deficiency Indemnity section 3(a) in this Agreement;

**"Lease Option Agreement"** means the agreement containing the terms of the Lease Option, which agreement is included as a schedule in the Purchase Agreements;

**"Project"** means the condominium stacked townhouse 77 freehold low-rise development located on the Property;

**"Property"** means the property municipally known as 85 Sydenham Wells/254 Penetanguishene Rd., Barrie, Ontario; + individually known as 242, 244, 246, 248, 250, + 252 Penetanguishene Road in Barrie Ont 77

**"Purchaser"** means a purchaser who has entered into a Purchase Agreement of a Developer pre-leased Unit in the Project;

**"Purchase Agreements"** means the agreements of purchase and sale entered into by purchasers and the Developer, for the purchase of Units and any amendments thereto and "Purchase Agreement" means any one of the Purchase Agreements;

**"Purchase Price"** means the purchase price of a Unit, as defined in a Purchase Agreement; and

**"Unit"** means a condominium 77 stacked townhouse 77 freehold 4-bedroom student housing residence, and

**"Unit List"** has the meaning ascribed to it in Section (3) hereof

(2) Ai Guarantee Inc. shall arrange for the following to be made available by Rentsure Membership (Canada) Corporation to Ai Guarantee Inc. for each Unit in the Project listed in the Unit List:

- (a) upon the exercise of the Lease Option by the Purchaser, a rent guarantee guarantying the payment of rent at the monthly rent amount set out in the Lease Option Agreements (the **"Rent Guarantee"**), for a period of five (5) years (the **"Guarantee Term"**) commencing within ninety (90) days after the Unit is capable of being occupied and leased pursuant to the terms of the Purchase Agreements; and
- (b) upon the exercise of the Lease Option by the Purchaser, membership in a rent protection program for the Guarantee Term which membership includes: (i) in the event that the Unit is

Agreement, and notwithstanding the foregoing, the Developer shall still be liable to pay the full amount of the Fee as set out in subsection (3)(a) hereof without deduction or setoff.

- (4) Any notice or other communication required or permitted to be given under this Agreement shall be in writing, delivered by email, courier or registered mail:

(a) in the case of the Developer, to:

Address: 5551-5th Ave, Richmond Ontario

Email: rzukawskie sympathies-ca

(b) in the case of the Guarantor, to:

Address: 38 Greensboro Drive, 2nd Floor, Toronto, ON M9W 1E1

Email: jim.m@nationwiderentsure.com

Notices delivered by hand or overnight courier service or registered mail, shall be deemed to have been given when received. Notices sent by electronic communication shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Either party may change its address for notice purposes by notice to the other party delivered in accordance with the provisions of this Section.

- (5) Time shall be of the essence with respect to each term and condition of this Agreement.
- (6) This Agreement may be signed in several counterparts including by pdf or electronic format, each of which shall be deemed an original, and all of which shall constitute one and the same document.
- (7) There shall be no amendments to this Agreement unless such amendment is in writing and signed by all parties hereto.

Dated this 1st day of May, 2017.

**Ai Guarantee Inc.**

**Fernwood Developments Inc. (Ontario Corporation)**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Signing Officer  
I have the authority to bind the Corporation.

Per: [Signature]  
Name: \_\_\_\_\_  
Title: Authorized Signing Officer  
I have the authority to bind the Corporation.

not tenanted, vacancy guarantee of up to forty eight thousand dollars (\$48,000.00) per year; and (ii) in the event that the Unit is tenanted, (1) rent guarantee arising out of the default of a tenant in paying rent, of up to one hundred thousand dollars (\$100,000.00) per year, (2) negligent and wilful damage guarantee of up to ten thousand dollars (\$10,000.00) per year, and (3) eviction and collection costs (including legal costs) incurred by the Guarantor in enforcing its subrogation rights set out in the Lease Option Agreements, all of the foregoing being subject to terms and conditions of the membership.

(3) In consideration for the above, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Developer:

(a) hereby covenants and agrees to pay to Ai Guarantee Inc., or as it may direct in writing, a non-refundable fee equal to **6%** of the Purchase Price less any HST included in the Purchase Price as shown in each Purchase Agreement, plus HST or other applicable sales and services tax (the "Fee"), as follows:

- i. **2%** of the Purchase Price **(\$80,243)** plus HST payable upon execution of this Agreement; and *payable by Kellan Williams Advantage o/a 2150159 Ontario Inc. M*
- ii. **4% (\$160,485)** plus HST payable upon on the Lease Option commencement date.

The Developer and Ai Guarantee Inc. shall agree on the Units in the Project which shall be subject to the Rent Guarantee and such Units shall be set out in Schedule "A" hereof together with the Purchase Price for each Unit listed therein and an original lease executed by an existing tenant and the Developer, acceptable to Ai Guarantee Inc.

The Developer ~~warrants all Units in the Project are leased,~~ and covenants to pay the rental income deficiency between the Lease Option guaranteed rent amount and the original lease executed by an existing tenant and the Developer from the Lease Option commencement date and April 30<sup>th</sup>, 2018.

The Developer irrevocably provides Ai Guarantee Inc. with its Developer Indemnity for the Units in the Project stated in Schedule "A".

- (b) hereby grants its irrevocable consent to Ai Guarantee Inc. and any assignees of Ai Guarantee Inc. (the "lessee"), upon exercise by a Purchaser of the Lease Option, to lease each Unit identified in the Unit List from the Purchasers thereof including all locker units, parking units and any other units purchased by the Purchaser together with the Unit pursuant to the terms of the Lease Option Agreement. The Developer further consents to the lessee subleasing the Unit from time to time. The Developer reserves the right to access the Unit for the purpose of completing its repair obligations under the Purchase Agreements; and
- (c) acknowledges and agrees that the Rent Guarantee and Developer Indemnity shall terminate if the Lease Option is not exercised by the Purchaser pursuant to the terms of the Lease Option

**Schedule "A" – Units and Purchase Prices**

<b>School House Sales Summary 5 Year Guarantee</b>						
	<b>Legal Unit #</b>	<b>Block Number</b>	<b>Floors</b>	<b>Municipal Unit #</b>	<b>Sq. Ft</b>	<b>List price less HST</b>
1	1	5		8	1440	\$364,700
2	7	5		2	1440	\$364,700
3	10	5		15	1440	\$364,700
4	11	5		14	1440	\$364,700
5	14	5		11	1440	\$364,700
6	22	6		3	1440	\$364,700
7	23	6		2	1440	\$364,700
8	27	6		14	1440	\$364,700
9	28	6		13	1440	\$364,700
10	30	6		11	1440	\$364,700
11	31	6		10	1440	\$364,700

**Confirmation**

TO: Ai Guarantee Inc.

The undersigned, Fernwood Developments Inc., hereby confirms to Ai Guarantee Inc. that the information contained in Schedule "A" is true and accurate in all aspects as at the date hereof.

DATED the 15 day of May, 2017.

**Fernwood Developments (Ontario) Corporation**

Per:



Name:

Title: Authorized Signing Officer

I have the authority to bind the Corporation.

Project: \_\_\_\_\_  
Suite/Unit: \_\_\_\_\_

### PURCHASER ACKNOWLEDGEMENT

Suite/Unit \_\_\_\_\_ (the "Unit"), 85 Sydenham Wells / 254 Penetanguishene Rd Barrie, (School House Project)

The Purchaser hereby acknowledges that Fernwood Developments Inc. (the "**Vendor**"), being the developer of the development project located at 85 Sydenham Wells/254 Penetanguishene Rd., Barrie, Ontario known as the School House Project (the "**Project**") is providing the Purchaser with an optional lease option agreement (the "**Lease Option Agreement**") attached to the agreement of purchase and sale entered into by the Purchaser and the Vendor for the purchase of a Unit in the Project which Lease Option Agreement you may choose to enter into with Ai Guarantee Inc. The Lease Option Agreement provides that Ai Guarantee Inc. shall guarantee payment of rent to the Purchaser for Unit \_\_\_\_\_ at the Project for a period of 5 years. Upon exercise by the Purchaser of the lease option set out in the Lease Option Agreement (the "**Lease Option**"), the Unit shall be enrolled by Ai Guarantee Inc. in a five (5) year rent income guarantee program provided by RentSure Membership (Canada) Corporation on the terms and conditions set out in the Lease Option Agreement. Notwithstanding that the Purchaser may execute the Lease Option Agreement prior to the expiry of the rescission period for the agreement of purchase and sale entered into by the Purchaser and the Vendor for the purchase of a Unit in the Project, the exercise of the Lease Option shall only take effect from and after the expiry of the rescission period.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Purchaser

Purchaser's Initials \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_

This is Exhibit "C" referred to in the Affidavit of  
Jordan Zukowski, sworn May 6, 2021

DocuSigned by:  
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*Commissioner for Taking Affidavits (or as may be)*

Adrian L. Rosu  
(LSO #79146V)

<b>Rental Income Program Fees (pre-HST) for Blocks 1-6</b>	\$ 2,040,948.00	
Plus, HST	\$ 265,323.24	
<b>Sub-Total</b>	<b>\$ 2,306,271.24</b>	
Plus, Keller Williams Settlement Fee (no HST)	\$ 1,000,000.00	
<b>Total Program and Settlement Fees (incl. HST)</b>	<b>\$ 3,306,271.24</b>	
	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
<b>Total invoices</b>	<b>\$ 3,306,271.24</b>	
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		<u>-\$ 1,401,401.91</u>
	<b>DUE AND PAYABLE</b>	<b>\$ 1,904,869.33</b>
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	
<b>Less, Rents collected from tenants by Pensio Sub-Total</b>	<b>-\$ 1,563,245.00</b>	
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	
<b>Plus, Payments to Fernwood Sub-Total</b>	<b>\$ 117,865.00</b>	
<b>Plus, Property management fee 6% on Rent collected (Jun 2017-Feb 2020) Inc. HST</b>	<b>\$ 105,988.01</b>	
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	
<b>Plus, Payments paid on behalf of Ferwood Sub-Total</b>	<b>\$ 33,469.33</b>	
<b>Less, Credit for Block 1 &amp; 2 Sales adjustment from \$449,000 to \$399,000</b>	<b>-\$ 108,480.00</b>	
<b>GRAND TOTAL DUE AND PAYABLE</b>	<b>\$ 490,466.67</b>	

This is Exhibit “D” referred to in the Affidavit of  
Jordan Zukowski, sworn May 6, 2021

DocuSigned by:  
  
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*Commissioner for Taking Affidavits (or as may be)*

Adrian L. Rosu  
(LSO #79146V)

MarshallZehr Group Inc.

Date:

07-Jun-18

**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	funds withheld from 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 Guarantee 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	Maacon 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 Taron 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	
	Maacon 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	
	Tomlin 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	Sorbara Law - 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	OT#5066545
	Wolfenden Construction Inc. \$25,000.00		670,916.93	
	Nezz Electrical		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 reserve 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	
	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
	Nezz 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	

	Apls 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 pay)	-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 pay)	-338,699.29	15,773.24	OT#163412
02-Jun-17	Fernwood Developments - June 01/17 draw to pay trades (positive pay)	-15,389.84	383.40	OT#153351
16-Jun-17	Funds from June 16/17 partial discharge unit 26, level 1 & unit 27, level 1	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 April	-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	

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

**AFFIDAVIT OF JORDAN ZUKOWSKI**

**DUNCAN, LINTON LLP**  
Barristers & Solicitors  
45 Erb Street East  
Waterloo, Ontario  
N2J 1L7

Irwin A. Duncan (LSO #12857G)  
e: iad@kwlaw.net  
Peter A. Hertz (LSO #56391N)  
e: phertz@kwlaw.net

t: (519) 886-3340  
f: (519) 886-8651

Lawyersfor Fernwood Developments (Ontario) Corporation),  
Jordan Zukowski and Rudi Zukowski

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**RESPONDING MOTION RECORD**  
**[MOTION FOR APPROVAL OF SALE**  
**TRANSACTION]**

**DUNCAN, LINTON LLP**  
Barristers & Solicitors  
45 Erb Street East  
Waterloo, Ontario  
N2J 1L7

Irwin A. Duncan (LSO #12857G)  
e: iad@kwlaw.net  
Peter A. Hertz (LSO #56391N)  
e: phertz@kwlaw.net

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Lawyers for Fernwood Developments (Ontario) Corporation,  
Jordan Zukowski and Rudi Zukowski