

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

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

**UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION, and
BLACKSMITH PARTNERS INC.**

Respondents

**THIRD REPORT OF THE RECEIVER
(Re: Discharge)**

SEPTEMBER 21, 2021

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I. INTRODUCTION

1. Pursuant to an application made by First Source Financial Management Inc. (“**First Source**”), by Order of the Ontario Superior Court of Justice (the “**Court**”) dated October 16, 2020, with effect from October 27, 2020, RSM Canada Limited (“**RSM**” or the “**Receiver**”) was appointed as receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario owned by the Respondents (the “**Properties**”). Amendments to the appointment order were made on October 29, 2020 and January 4, 2021. A copy of the Appointment Order, as amended (the “**Appointment Order**”), is attached to this Third Report as Appendix “**A**”.
2. On December 22, 2020, the Receiver issued its First Report to the Court (the “**First Report**”) for the purpose of, among other things, seeking an Order:
 - (i) terminating the lease between 2692006 Ontario Inc. (“**269**”) and the Respondent Blacksmith Partners Inc. (the “**269 Lease**”) in respect of the properties located at 160 Main St. and 162/166 Main St.;
 - (ii) amending the description of the Properties as set out in the Appointment Order; and
 - (iii) approving the Sale Process (as defined in the First Report) and authorizing the Receiver to enter into a listing agreement with Colliers.

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

3. At the return of the motion on January 4, 2021 (the “**January 4 Motion**”), Justice Cavanagh granted the requested amendments to the Appointment Order, adjourning the balance of the motion so as to permit the filing of responding materials in connection with certain of the relief sought.
4. A Case Conference was held on January 15, 2021, to address, without limitation, (i) the Receiver’s intention to commence the Sale Process for the Properties; (ii) timelines for the determination of the outstanding relief sought on the January 4, Motion; and (iii) the Receiver’s request for assistance from the Court in obtaining documents in the possession of a third party which related to the Properties. The January 15, 2021 Case Conference proceeded before the Honourable Justice Gilmore. At the Case Conference on January 15, 2021, Justice Gilmore:
 - a) agreed that the Receiver was authorized by the terms of the Appointment Order to commence the Sales Process as intended;
 - b) ordered a timetable for the exchange of materials in relation to the 269 Lease termination issue, to be heard on February 8, 2021; and
 - c) stated that the documents prepared by KLM Planning Partners Inc. (the “**KLM Documents**”) “should be produced by the debtors (on instruction to KLM) without the necessity of a motion. If they are not, the Receiver may request this relief at the February 8, 2021 motion.”

A copy of Justice Gilmore's Endorsement made on January 15, 2021 (the "**January 15 Endorsement**") is attached to this report as Appendix "**C**".

5. The Receiver's Motion respecting termination of the 269 Lease was heard on February 8, 2021, by the Honourable Justice Cavanagh. The Receiver's Supplemental Report to the First Report of the Receiver dated January 28, 2021 (the "**First Supplemental Report**"), filed in advance of the hearing of the motion, is attached to this report as Appendix "**D**".
6. In Justice Cavanaugh's decision on the lease termination motion, as per his Endorsement of February 9, 2021, His Honour ordered the termination of the 269 Lease and authorized the Receiver to market and sell the corresponding properties free and clear of any interests created by the 269 Lease (the "**Lease Termination Order**"). A copy of the Lease Termination Order and the Endorsement of Justice Cavanaugh are attached to this report as Appendix "**E**".
7. At the February 8, 2021 hearing, additional relief sought by the Receiver in relation to its use of the KLM Documents in connection with the marketing of the subject properties was adjourned to February 24, 2021. The issues concerning the KLM Documents were, however, subsequently resolved on a consent basis, without the need for a hearing.
8. On May 6, 2021, the Receiver issued its Second Report to the Court (the "**Second Report**") for the purpose of, among other things, seeking an Order:
 - (i) authorizing and directing the Receiver to enter into and carry out the terms of an Agreement of Purchase and Sale (defined therein as the "**APS**"), together with such minor amendments thereto deemed

necessary by the Receiver in its sole opinion, and vesting title to the Purchased Assets (as defined in the APS) in the Purchaser, or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the APS and the delivery of a Receiver's certificate to the Purchaser;

(ii) sealing certain documents until the closing of the sale of the Properties; and

(iii) authorizing the Receiver to make an interim distribution from the proceeds of sale (the "**Interim Distribution**") received from the Purchaser on closing.

A copy of the Second Report, without appendices, is attached to this report as Appendix "**F**".

9. On May 12, 2021, Justice Dunphy approved the APS and issued the Approval and Vesting Order (the "**Approval and Vesting Order**") that day. On May 18, 2021, Justice Dunphy approved the Interim Distribution and issued a companion Order (re Administrative Relief) (the "**May 18 Order**"). Copies of the Approval and Vesting Order and the May 18 Order are attached to this report as Appendix "**G**".

10. Court materials, Orders and other pertinent documents have been posted on the Receiver's website, which can be found at <http://www.rsmcanada.com/160-162-166-170-174-178-186-main-street>.

II. PURPOSE OF REPORT

11. The purpose of this Third Report to the Court (the "**Third Report**") is to:
 - (a) report to the Court on the activities of the Receiver from the date of its Second Report to September 15, 2021;
 - (b) report to the Court on the sale of the Properties and matters relating thereto;
 - (c) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period July 15, 2020 to September 15, 2021 (the "**Interim R&D**");
 - (d) report on the fees of the Receiver and its counsel; and
 - (e) seek an order:
 - i. authorizing the Receiver to transfer certain funds which are subject to a dispute as to entitlement to same (the "**Disputed Funds**") to Fogler Rubinoff LLP in trust, to be held pending the adjudication or resolution of the issues giving rise to the dispute;
 - ii. approving the First Report, the First Supplemental Report, the Second Report, the Third Report, (collectively, the "**Reports**") and the Receiver's conduct and activities as set out therein;
 - iii. approving the Interim R&D;

- iv. approving the Final Distribution, including the assignment to First Source of the rights of the Receiver to collect payment of rent accrued by certain tenants of the Properties (the “**Tenant Receivables**”);
- v. approving the fees of the Receiver and its counsel; and
- vi. terminating these proceedings and discharging the Receiver from the powers, duties and obligations attendant to its appointment as Receiver upon the filing of the Receiver’s Discharge Certificate.

Terms of Reference

- 12. In preparing this Third Report and making the comments herein, the Receiver has relied upon certain information from third-party sources (collectively, the “**Information**”). The Receiver has, 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 CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
- 13. Unless otherwise stated, all dollar amounts contained in the Third Report are expressed in Canadian dollars.
- 14. Defined terms in this Third Report have, unless indicated otherwise herein, the same meanings as set out in the First Report, the First Supplemental Report and the Second Report.

III. BACKGROUND

15. First Source is a private lender and mortgage broker in the business of originating and administering mortgage loans in Ontario. As at the date of the Appointment Order, First Source held a first mortgage in the principal amount of \$16,285,256 against the Properties (the "**First Mortgage**"). As of June 4, 2020, the amount outstanding under the First Mortgage was \$14,156,122.
16. The Respondents failed to repay the amount of the loan due and owing on the maturity date of the First Mortgage and First Source sought the appointment of the Receiver pursuant to a Notice of Application dated September 15, 2020.
17. By Order of the Court dated October 16, 2020, with effect from October 27, 2020, RSM was appointed as receiver of the Properties.

The Properties

18. The Properties consist of a near-contiguous stretch of parcels located on Main St. Unionville, forming part of the central business and shopping district within the Unionville community.
19. There are six (6) retail/commercial buildings situated on the various Properties, with a total of 10 rentable units. The location and description of the rentable units are described in the First Report.

IV. RECEIVER'S ACTIVITIES SINCE THE SECOND REPORT

20. The Receiver's significant activities since the issuance of the Second Report have consisted of:
 - i. collecting rent from tenants of the Properties;

- ii. arranging for the Properties to be repaired and maintained, as needed;
- iii. completing the sale of the Properties including addressing issues raised by the Purchaser subsequent to the closing of the sale;
- iv. corresponding with tenants regarding the sale of the Properties;
- v. issuing the Interim Distribution in accordance with the May 18 Order;
- vi. filing HST returns;
- vii. filing interim reports pursuant to Section 246(2) of the *Bankruptcy and Insolvency Act*;
- viii. corresponding with insurance brokers to recover premiums relating to insurance coverage for the period subsequent to the sale of the Properties; and
- ix. discussions and correspondence with counsel to First Source and Colliers in relation to the Disputed Funds, the nature of which dispute is more particularly addressed later in this Third Report.

V. COMPLETION OF THE SALE OF THE PROPERTIES

21. As set out in the Second Report, the Receiver entered the APS dated April 15, 2021 with “Watford Development Inc., in trust for a company to be incorporated, and Ajay Mehra, Raffi Tokmakjian, Sylvia Tokmakjian, Hripsime (Helen) Tokmakjian and Berardino D’Amato, in trust for one or more companies to be incorporated” (collectively, the “**Purchaser**”) respecting the purchase of the Properties by the Purchaser.

22. Pursuant to the terms of the APS, closing of the transaction was to occur on the 10th business day following the date upon which the Approval and Vesting Order was granted, or such other date as may be agreed upon between the Receiver and the Purchaser. As the Approval and Vesting Order was granted on May 12, 2021, the closing date was to be May 27, 2021.
23. Pursuant to a request from the Purchaser on May 26, 2021, the closing date was extended to May 28, 2021. On May 28, 2021, the Purchaser requested that the closing date be extended to May 31, 2021, which request was agreed to by the Receiver.
24. On May 31, 2021, the sale of the Properties was completed.
25. The Receiver paid the outstanding property taxes to the date of closing and, effective June 1, 2021, cancelled its insurance coverage over the Properties or, in respect of the insurance coverage for certain of the Properties, agreed that the Purchaser could assume the Receiver's insurance policies.

VI. THE DISPUTED FUNDS

26. On May 27, 2021, counsel to First Source informed the Receiver that First Source was disputing Colliers' entitlement to payment of commissions in the full amount claimed by Colliers of \$398,325. The Receiver understands the basis of the dispute relates to an alleged oral agreement to a reduction in commissions payable under certain circumstances which First Source is of the view have become applicable. Colliers disputes that it is legally obligated to accept a reduction of its

claimed commissions on the basis of the discussions referenced and in the totality of circumstances.

27. Following discussions and correspondence between the Receiver, First Source and Colliers, it was agreed that the undisputed portion of commissions claimed by Colliers in the amount of \$239,108 may be released to Colliers, with the disputed balance claimed by Colliers (i.e. the Disputed Funds) of \$159,217, plus, on Colliers request, an additional \$50,000 on account of fees and costs which may be subject to additional claims in connection with the resolution of the dispute be held back by the Receiver pending resolution of the dispute (the total funds to be held back, is equal to \$209,217, being the **“Disputed Amount”**).
28. On July 6, 2021, First Source, Colliers and the Receiver attended before Justice Pattillo to discuss procedural issues relating to obtaining a determination as to the party entitled to the Disputed Funds (which, if not payable to Colliers, would otherwise be payable to First Source as senior secured creditor owing to a shortfall on the indebtedness owed to it). As set out in the Endorsement of Justice Pattillo made on July 6, 2021 (the **“July 6 Endorsement”**), it was agreed between Colliers and First Source that the interested parties would endeavour to agree upon terms by which the issues in relation to the Disputed Funds could be adjudicated, if not otherwise resolved, through arbitration. A copy of the July 6 Endorsement is attached hereto as Appendix **“H”**.
29. As at the date of the Third Report, the issues relating to the Disputed Amount remain unresolved. Colliers and First Source have advised the Receiver that they are each in agreement that in order to facilitate the discharge of the Receiver and

any ongoing expense being incurred in relation to the Receiver's appointment, that the Disputed Amount may be held in trust by Fogler Rubinoff LLP, counsel to Colliers, pending the resolution or adjudication of the dispute concerning same.

VII. TENANT RECEIVABLES

30. Under the terms of the APS, tenant receivables were not included among the Purchased Assets and the rights to same were not acquired by or transferred to the Purchaser upon the closing of the sale of the Properties.
31. As of the date of closing, and to date, the amount of Tenant Receivables outstanding from tenants of the Properties is equal to \$91,250.11.
32. First Source has advised that it wishes to take an assignment of the Tenant Receivables in return for a reduction in the amount of \$25,000 of the balance of indebtedness owed to First Source pursuant to the First Mortgage. Having regard to the costs of, and likelihood of, collecting the Tenant Receivables, the Receiver regards this proposal by First Source as reasonable and requests that this Court authorize the Receiver to proceed with an assignment of the Tenant Receivables to First Source on this basis.

VIII. CANADA REVENUE AGENCY

33. The Receiver has opened RT0002 accounts with Canada Revenue Agency ("**CRA**") in respect of the receivership administration in order that the Receiver could file HST returns and claim Input Tax Credits which would result in HST refunds being paid to the Receiver. To date, the Receiver has filed the HST returns

that were due which has resulted in the following payments and/ or refund amounts claimed:

Property	Start Date	End Date	Frequency	Amount
160, 162 and 166 Main St.	27-Oct-20	31-Dec-20	Annual	\$(648.36)
174 - 178 and 186 Main St.	27-Oct-20	31-Dec-20	Annual	\$1,892.23
170 Main St.	27-Oct-20	30-Jun-21	Quarterly	\$(1,391.01)

34. Additional HST returns will be filed by the Receiver when the returns are due to be filed or upon the closing of the Receiver's RT0002 accounts for the Properties.
35. The Receiver understands that the Respondents have not filed certain HST returns for the period prior to the Appointment Date. By letter dated August 17, 2021, CRA wrote to the Receiver advising that Unionville Re-Dev Phase 2 Corporation had not filed HST Returns for the period October 1, 2017 through October 27, 2020 (the date of the Appointment Order). According to the letter, CRA indicated that there was a balance outstanding of \$44,133.09, inclusive of penalties and interest, however, no deemed trust claim was asserted.
36. The Receiver has not received correspondence from CRA regarding Blacksmith Partners Inc. or Unionville Re-Dev Corporation.
37. The Receiver has informed CRA that correspondence relating to the Respondents should be addressed to the Respondents and not the Receiver.

IX. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

38. Attached to this report as Appendix "I" is the Interim R&D. As set out on the Interim R&D, as at September 15, 2021, total receipts, including the advance of \$50,000 pursuant to a Receiver's Certificate, were \$14,426,502, while disbursements

recorded were \$792,747 resulting in a net cash balance of \$13,633,755 before a repayment made to First Source on account of its first mortgage. After payment to First Source of the Interim Distribution, the excess of receipts over disbursements as at September 15, 2021 was \$390,755.

X. FINAL DISTRIBUTION

39. As set out on the R&D, there were net funds on hand of \$390,755 as at September 15, 2021. Following payment of the Receiver's and its counsel's fees and disbursements set out below, and deducting the Disputed Amount to be held in trust by Fogler Rubinoff LLP, the Receiver estimates that the remaining funds that will be in the possession of the Receiver will be \$989.54 (the "**Remaining Funds**"). This amount is before consideration of HST refunds totaling approximately \$47,000 which the Receiver has claimed, or will be claiming, on HST returns filed or to be filed.
40. As set out in the Second Report, the Receiver has received an opinion from Torkin Manes that subject to the qualifications set out in the opinion:
 - a) the PPSA Security Documents (as defined in the Security Opinion) were validly registered pursuant to the PPSA and, subject to the qualifications set out in the Security Opinion, First Source holds a first-ranking security interest over personal property of the Debtors based on date of registration; and

- b) the First Source Mortgage was validly registered against title to the Properties and, subject to the qualifications set out in the Security Opinion, ranks first in priority among registered encumbrances against title to the Properties, with the exception of a Charge registered as YR2623311 in favour of the Bank of Nova Scotia (“**BNS**”) as registered on title to PIN: 02979-0124 (LT), in respect of which BNS has confirmed that no amounts are owed to BNS.
41. The Receiver is seeking an Order authorizing the Receiver to distribute to First Source the Remaining Funds and to assign to First Source the Tenant Receivables (collectively, the “**Final Distribution**”). The Receiver is also seeking an Order authorizing the Receiver to pay to First Source any additional funds that it may receive in respect of the receivership administration, whether prior to or following the Receiver’s discharge, provided that the total amounts paid to First Source do not exceed the Respondents’ indebtedness to First Source.

XI. DISCHARGE OF THE RECEIVER

42. As of the date of this Third Report, the Receiver’s remaining duties (the “**Remaining Duties**”) are:
- a) paying the Disputed Amount to Fogler Rubinoff LLP, in trust;
 - b) making the Final Distribution including the assignment to First Source of the Tenant Receivables;
 - c) paying the fees and disbursements of the Receiver and its counsel, including estimated costs to complete;

- d) filing the Receiver's final HST returns; and
- e) preparing the Final Statement of Receiver pursuant to section 246(3) of the *Bankruptcy and Insolvency Act*.

43. As the Receiver's administration is substantially complete, and in order to avoid the costs of making a further motion to the Court to obtain the Receiver's discharge, the Receiver is presently seeking an order discharging RSM from the powers, duties and obligations attendant to its appointment as Receiver (the "**Discharge Order**") upon the filing of the Receiver's Discharge Certificate certifying that the Receiver has completed the Remaining Duties (the "**Receiver's Discharge Certificate**"), with the proviso that RSM may perform such incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver including, but not limited to, the Remaining Duties.

XII. PROFESSIONAL FEES

44. The Receiver's accounts total \$72,301.50 in fees plus HST of \$9,399.22 for a total amount of \$81,700.72 for the period April 1, 2021 to August 31, 2021 (the "**Receiver's Invoices**"). The Receiver's unbilled fees to September 20, 2021 are \$4,700.24 (inclusive of HST) and the Receiver estimates that its fees from September 21, 2021 to finalization of the receivership administration will be \$9,040.00 inclusive of HST (together with the Receiver's Invoices, the "**Receiver's Accounts**"). A copy of the Receiver's Invoices, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate

charged per account, is set out in the Affidavit of Daniel Weisz sworn September 20, 2021 that is attached to this report as Appendix “J”.

45. The accounts of the Receiver’s counsel, Torkin Manes, total \$61,610.11 in fees and disbursements and \$7,957.18 in HST for a total of \$69,567.29 for the period April 1, 2021 to September 20, 2021 (the “**Torkin Manes Invoices**”). Torkin Manes estimates that its fees from September 21, 2021 to finalization of the receivership administration will be \$9,040 inclusive of HST (together with the Torkin Manes Invoices, the “**Torkin Manes Accounts**”). A copy of the Torkin Manes Invoices, together with a summary of the personnel, hours and hourly rates described in the Torkin Manes Invoices, supported by the Affidavit of J. Glen Eddie sworn September 21, 2021 is attached to this report as Appendix “K”.

XIII. CONCLUSION

46. The Receiver respectfully requests that the Court make an Order:
- (i) authorizing the Receiver to pay the Disputed Amount (as defined herein) to Fogler Rubinoff LLP, in trust;
 - (ii) approving the Reports, and the Receiver’s conduct and activities as set out therein;
 - (iii) approving the Interim R&D;
 - (iv) approving the Final Distribution, including the assignment to First Source of the Tenant Receivables;
 - (v) approving the Receiver’s Accounts and the Torkin Manes Accounts;
- and

(vi) terminating these proceedings and discharging the Receiver from the powers, duties and obligations attendant to its appointment as Receiver upon the filing of the Receiver's Discharge Certificate.

All of which is respectfully submitted to this Court as of this 21st day of September, 2021.

RSM CANADA LIMITED

In its capacity as Court-appointed Receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main St., Unionville, Ontario and not in its personal or corporate capacity

A handwritten signature in black ink, appearing to be 'D. Weisz', written in a cursive style.

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

A

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

THE HONOURABLE) FRIDAY, THE
JUSTICE GILMORE) 16TH DAY OF OCTOBER, 2020

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

**UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION, and
BLACKSMITH PARTNERS INC.**

Respondents

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

**AMENDED ORDER
(appointing Receiver, January 4, 2021 Amendment)**

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 the real property owned by the Respondents (collectively, the "**Debtors**") and having the legal descriptions as set out in

Schedule “A” hereto (collectively, the “**Property**”), was heard this day virtually via Zoom videoconference as a result of the COVID-19 crisis.

ON READING the affidavit of David Mandel sworn July 6, 2020 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and the Debtors, 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 the Property, effective October 27, 2020 at 12:00pm.

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 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;
- (d) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors with respect to the Property and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (e) to settle, extend or compromise any indebtedness owing to the Debtors with respect to the Property;
- (f) 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 Debtors, for any purpose pursuant to this Order;
- (g) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such

proceedings The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (h) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of this Court, and notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- (j) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (k) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (l) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (m) 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 Debtors;
- (n) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors; and
- (o) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors 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 Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *BIA*, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors 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 Debtors' 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 Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to

whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

17. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges 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*.

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

19. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the 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

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the *BIA*.

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

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

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

SERVICE AND NOTICE

24. **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: <https://rsmcanada.com/what-we-do/services/consulting/financial-advisory/restructuring-recovery/current-restructuring-recovery-engagements.html>

25. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by

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

26. **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 Debtors' 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

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

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

29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this

Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

31. **THIS COURT ORDERS** that the Applicant shall have its costs of this 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 Debtors' estate with such priority and at such time as this Court may determine.

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

33. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion

for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be, when the Court returns to regular operations.

SCHEDULE "A"

List of Properties

Municipal address: 166 Main Street, Unionville ON and 162 Main Street, Unionville

PIN: 02979-0122 (LT)

Property Description:

PT LT 12 CON 5 MARKHAM PT 1, 65R4965; T/W R646625 ; MARKHAM

Municipal address: 170 Main Street, Unionville ON

PIN: 02979-0123 (LT)

Property Description:

PT LT 12 CON 5 MARKHAM AS IN R666021; T/W R666021 ; MARKHAM

Municipal address: 174-178 Main Street, Unionville ON

PIN: 02979-0124 (LT)

Property Description:

PT LT 12 CON 5 MARKHAM PTS 1 & 2, 64R7629; S/T MA58258 ;; CITY OF MARKHAM

Municipal address: 186 Main Street, Unionville ON

PIN: 02979-0126 (LT)

Property Description:

PT LT 12 CON 5 MARKHAM AS IN R37141; S/T & T/W R371141 ; MARKHAM

~~Municipal address: 162 Main Street, Unionville ON~~

~~PIN: 02979-0172 (LT)~~

~~Property Description:~~

~~PT LT 12 CON 5 MARKHAM PT 4, 65R20048 ; MARKHAM. S/T EASE AS IN LT1547540~~

Municipal address: 160 Main Street, Unionville ON

PIN: 02979-0301 (LT)

Property Description:

PT LT 12 CON 5 MARKHAM, PTS 1, 2 & 3 65R20048 EXCEPT PTS 1, 2, 3, 4 & 5 65R23053, MARKHAM; S/T EASE OVER PT 7 65R23053 AS IN LT1547540.

and

PIN: 02979-0172 (LT)

Property Description:

PT LT 12 CON 5 MARKHAM PT 4, 65R20048 ; MARKHAM. S/T EASE AS IN LT1547540

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that RSM Canada Limited, the receiver (the "**Receiver**") of the Property (as defined in the Order) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ● day of July, 2020 (the "**Order**") made in an application having Court file number CV-20-●-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:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

-and-

UNIONVILLE RE-DEV CORPORATION *et al*

Applicant

Respondents

Court File No. CV-20-00647644-00CL

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

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(appointing Receiver)**

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

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Lawyers for the Applicant

B

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

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

**UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION, and
BLACKSMITH PARTNERS INC.**

Respondents

FIRST REPORT OF THE RECEIVER

DECEMBER 22, 2020

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I. INTRODUCTION

1. Pursuant to an application made by First Source Financial Management Inc. (“**First Source**”), by Order of the Ontario Superior Court of Justice (the “**Court**”) dated October 16, 2020, with effect from October 27, 2020, RSM Canada Limited (“**RSM**” or the “**Receiver**”) was appointed as receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario owned by the Respondents (the “**Properties**”). On October 29, 2020, the Court issued an amended appointment order (the “**Appointment Order**”). A copy of the Appointment Order is attached to this First Report as **Appendix “A”**.
2. The Appointment Order authorizes the Receiver to, *inter alia*:
 - a) exercise control over the Properties and any and all proceeds, receipts and disbursements arising out of or from the Properties;
 - b) receive, preserve, and protect the Properties, or any part or parts thereof, including, but not limited to, the changing of locks and security codes and the placement of such insurance coverage as may be necessary or desirable;
 - c) market the Properties, including advertising and soliciting offers in respect of the Properties and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; and
 - d) sell, convey, transfer, lease or assign the Properties with the approval of this Court.

-
3. The Appointment Order and other pertinent documents have been posted on the Receiver's website, which can be found at <http://www.rsmcanada.com/160-162-166-170-174-178-186-main-street>.
 4. The Receiver has retained the firm of Torkin Manes LLP ("**Torkin**") as counsel to the Receiver.

II. PURPOSE OF REPORT

5. The purpose of this first report to the Court (the "**First Report**") is to:
 - (a) report to the Court on the activities of the Receiver from the date of its appointment to December 18, 2020;
 - (b) provide background information about the Properties;
 - (c) provide information on a lease that was entered into by 2692006 Ontario Inc. ("**269**") with the Respondent Blacksmith Partners Inc. in respect of the properties located at 160 Main St. and 162 Main St. / 166 Main St. (the "**269 Lease**"), including the basis for the Receiver's recommendation that the 269 Lease be terminated;
 - (d) provide information on the Receiver's attempts to obtain information relating to the Properties from Mr. Harshal Dave of the Respondents ("**Mr. Dave**");
 - (e) set out the proposed sale and marketing process by which offers will be solicited for the Properties, including the Receiver's proposed retention of Colliers Macaulay Nicolls Inc. ("**Colliers**") as listing agent; and
 - (f) seek an order:

-
- i. amending the Appointment Order to make a correction to the municipal address for certain of the Properties;
 - ii. terminating the 269 Lease;
 - iii. directing that Mr. Dave:
 - i) deliver to the Receiver by no later than January 12, 2021 certain information relating to the Properties in his, or the Respondents', power, possession or control; and
 - ii) comply in a timely fashion with any further requests made by the Receiver for information or documents relating to the Properties;
 - iv. approving the Sale Process and authorizing the Receiver to enter into the Listing Agreement (defined below) with Colliers and to list and market the Properties in accordance with the recommendations of the Receiver as set out in this First Report;
 - v. sealing Confidential Appendices L and M to the First Report; and
 - vi. approving the First Report and the Receiver's conduct and activities set out herein.

Terms of Reference

6. In preparing this report and making the comments herein, the Receiver has relied upon certain information from third-party sources (collectively, the "**Information**"). The Receiver has, 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 CPA

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

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

III. BACKGROUND

Appointment of the Receiver

8. First Source is a private lender and mortgage broker in the business of originating and administering mortgage loans in Ontario. First Source holds a first mortgage in the principal amount of \$16,285,256 against the Properties. As of June 4, 2020, the amount outstanding under the mortgage held by First Source was \$14,156,122.
9. The Respondents failed to repay the amount of the loan due and owing on the maturity date.
10. First Source sought the appointment of the Receiver pursuant to a Notice of Application dated September 15, 2020.
11. By Order of the Court dated October 16, 2020, with effect from October 27, 2020, RSM was appointed as receiver of the Properties.

The Properties

12. The Properties consist of near-contiguous stretch of parcels located on Main St. Unionville, forming part of the central business and shopping district within the Unionville community. A composite of Teraview generated PIN maps showing the

location of the Properties, and identifying those subject to the Receivership, is attached to this First Report as **Appendix “B”**.

13. There are six (6) retail/commercial buildings situated on the various Properties, with a total of 10 rentable units. The location and present status of the rentable units are as follows:

- a) *160 Main St. (PIN 02979-0301 and 02979-0172)*: consists of a historic barn which has been converted into office/retail space and is currently unoccupied (the “**Barn**”);
- b) *162 Main St. / 166 Main St. (both municipal addresses appear to be associated with PIN: 02979-0122)*: consists of two separate units being (1) a street-facing restaurant formerly operated as the Blacksmith Bistro (the “**Bistro**”) and (2) an adjacent alley-facing house (the “**House**”), both of which are currently unoccupied;
- c) *170 Main St (PIN 02979-0123)*: consists of two units; upper and lower. The lower unit is occupied by a retail business known as the Old Firehall Confectionary and the upper unit consists of office space currently leased by 1777507 Ontario Inc. (dba Nicholby’s);
- d) *174-178 Main St. (PIN 02979-0124)*: consists of four units; 2 upper and 2 lower, as follows: (1) a lower unit retail business currently operating as Pharmalinx (2) a lower unit retail business currently operating as Pretty Thingz (3) an upper unit office space currently occupied by Williams Family Lawyers and (4) an upper unit office space currently occupied by Homelife Dreams Realty Inc.; and

e) *186 Main St. (PIN 02979-0126)*: is currently occupied by a restaurant business operating as Il Postino.

14. Each of the units located at 170 Main St., 174-178 Main St. and 186 Main St. are, as indicated above, tenanted and occupied by businesses which continue to operate.

15. The status of the three units located at 160 Main St. and 162/166 Main St. is discussed in more detail below.

16. Prior to the appointment of the Receiver, the owners of the Properties had been engaged in planning the potential construction of a mixed use condominium development on the site of the Properties (the “**Proposed Development**”), which plans do not appear to have progressed beyond early stages.

IV. CORRECTION TO MUNICIPAL ADDRESS FOR PROPERTIES REFERENCED IN APPOINTMENT ORDER

17. In accordance with the PIN map referenced above and attached as Appendix B to this First Report and additional investigations undertaken by the Receiver with a view to confirming the corresponding municipal addresses of those parcels under Receivership, it would appear that the municipal address assigned to certain of the Properties in the Appointment Order require the following corrections:

a) The municipal addresses of 162 Main St. and 166 Main St. Unionville both correspond to PIN 02979-0122 (it would appear that 162 Main St. is the official recognized municipal address for this parcel and that, while not

-
- otherwise recognized by the municipality, the address of 166 Main St. is commonly associated with a second building located on the property); and
- b) The Municipal address of 160 Main St. corresponds to both PIN 02979-0172 and PIN 0279-0301.

18. The Receiver therefore requests that an amendment be made to the Appointment Order reflecting the above, so as to avoid further confusion as to the identification of each of the Properties.

V. RECEIVER'S ACTIVITIES TO DATE

Securing the Properties

19. In order to monitor the condition of the Properties on an ongoing basis, the Receiver entered into an agreement with Richmond Advisory Services Inc. ("**RAS**") to provide certain property management services including, without limitation:
- i) periodic site inspection of the Properties; and
 - ii) sourcing and overseeing any necessary repairs and maintenance, as required.
20. On October 28, 2020, the Receiver attended on site at the Properties with a representative of RAS to, among other things, (i) notify the tenants of the Receiver's appointment, (ii) change the locks to all exterior doors, and (iii) complete a walk-through of the Properties to establish the present condition of same and to identify any maintenance needs or health and safety concerns.

21. RAS identified a number of minor maintenance issues relating to the winterization of the Properties. The Receiver subsequently authorized completion of the necessary repairs and has also engaged a snow removal contractor.

Insurance

22. Upon its appointment, the Receiver contacted the insurance brokers understood by the Receiver to have arranged for the placement of the Respondents' insurance coverage over the Properties to request and obtain confirmation that the Receiver would be added as loss payee and additional named insured on the relevant insurance policies. As the Receiver was unable to promptly obtain such confirmation, on October 27, 2020, the Receiver took steps to independently obtain liability insurance with coverage effective from October 27, 2020.

23. Subsequent to the Receiver's appointment, the Receiver arranged for all but one of the existing insurance policies relating to the Properties to be transferred to the Receiver, with the Receiver added as loss payee. The sole exception being the policy for 174-178 Main St., which is discussed below.

24. On December 2, 2020, the Receiver received a Registered Notice of Cancellation from Optimum General Insurance ("**Optimum**") regarding the policy for 174-178 Main St., Unionville (the "**Optimum Policy**"). The Receiver subsequently contacted Optimum to request that the Optimum Policy be reinstated, as it was the Receiver's position that cancellation of the Optimum Policy would be contrary to the terms of the Appointment Order.

25. On December 7, 2020, Optimum responded to the Receiver and agreed to reinstate the Optimum Policy, subject to the following terms:

- a) Optimum would not renew the Optimum Policy once the current policy term expired on January 31, 2021;
- b) Optimum would not add the Receiver as named insured on the Optimum Policy; and
- c) Optimum would not add the Receiver as loss payee on the Optimum Policy.

26. In view of Optimum's response, the Receiver arranged for alternate property insurance for 174-178 Main St., which was bound on December 9, 2020, and requested cancellation of the Optimum Policy in order to obtain a refund of the associated premiums.

Communications with Tenants

27. Upon attending at the Properties on October 28, 2020, the Receiver observed that all units were occupied by either retail or commercial tenants, with the exception of the 3 units located at 160 Main St. and 162/166 Main St., which appeared to be vacant. There are no residential tenants at the Properties.

28. Each of the tenants has been contacted, made aware of the appointment of the Receiver and provided with a copy of the Appointment Order. The Receiver has furthermore obtained copies of the leases for each of the tenanted units but for 170 Main St. (Old Firehall Confectionery) and 186 Main St. (Il Postino). The Receiver has requested from both the tenants and Mr. Dave copies of the leases for these units but, to date, no copy has been provided to the Receiver.

-
29. Certain tenants have requested rent reduction or other accommodation from the Receiver on account of the impact of the Covid-19 pandemic on their business. The Receiver is in the process of reviewing these requests.
30. With respect to the upper unit located at 170 Main St., occupied as an office space for Nicholby's, the tenant has advised the Receiver that it will be vacating the premises by December 31, 2020. The lease for this unit expired in September, 2020, and the tenant currently occupies same on a month-to-month basis.

Property Taxes

31. The Receiver has contacted the City of Markham to determine the status of property taxes payable in connection with the Properties. As at December 10, 2020, unpaid property taxes in respect of the Properties totalled \$192,542.22, allocated as follows:

Address	Balance
160 Main St.	\$ 14,289.25
162 & 166 Main St.	37,857.33
170 Main St.	48,965.81
174 - 178 Main St.	33,493.42
186 Main St.	57,936.41
Total	\$ 192,542.22

32. As the Receiver does not have funds with which to pay the property taxes, the Receiver intends to address any outstanding property taxes at the time of sale of the Properties.

Statutory Notices

33. On November 6, 2020, the Receiver sent a Notice and Statement of Receiver pursuant to Section 245(1) of the Bankruptcy and Insolvency Act to the known creditors of the Debtors related to the Properties (the “**245 Notice**”) as identified through a title search of the Properties and a Personal Property Security Registration System search of the Respondents. The Receiver has requested, but has not received from Mr. Dave, a list of the creditors of the Debtors related to the Properties. A copy of the 245 Notice is attached to this First Report as **Appendix “C”**.

VI. 160 MAIN ST. and 162 /166 MAIN STREET

34. Through its discussions with neighbouring tenants, the Receiver has been advised that, on or around March 1, 2020, the former tenant of 162/166 Main St., operating as the Blacksmith Bistro, ceased operations and vacated the property. The Receiver was further advised that the 162/166 Main St. property has remained vacant since that time. The precise circumstances of the former tenant’s departure are not known to the Receiver.

35. As of the date of the appointment of the Receiver, the House and Bistro units were vacant. The former tenant has made no attempts to contact or communicate with the Receiver, or gain access to the property for any purpose.

36. The Receiver was further advised by neighbouring tenants that the 160 Main St. property, on which the Barn is located, has been vacant for some time. The Receiver is unaware of any prior lease in respect of same. The information

provided by the neighbouring tenants is consistent with the rent rolls obtained by the Receiver in respect of the Properties, which do not indicate any rental income as being associated with the 160 Main St. property or the Barn.

37. Following its appointment, the Receiver changed the exterior locks on each of the Barn, the House and the Bistro, and posted notice of the receivership, as well as the contact information for the Receiver and RAS, on the main entrance for each.

The 269 Lease

38. On November 25, 2020, the Receiver was contacted by a representative of 269 who advised the Receiver that 269 was the tenant of the 160 Main St. and 162/166 Main St. properties, that they had been travelling outside of the country and had only now become aware of the receivership, and that immediate access to these properties was required for the purposes of performing renovation work in relation to same.
39. The Receiver advised the representative of 269 that the Receiver had understood that the property was not tenanted and that neither the owner nor neighbouring tenants had indicated otherwise. The Receiver furthermore requested a copy of the purported lease and advised that it would need to address these matters with legal counsel prior to granting any access.
40. On November 26, 2020, a copy of the purported lease (the “**269 Lease**”) was provided to the Receiver. A copy of the 269 Lease is attached to this First Report as **Appendix “D”**.
41. The Receiver has sought advice from Torkin and consulted with Colliers in connection with its evaluation of the 269 Lease and its terms. The Receiver is of

the view that the 269 Lease terms are not commercially reasonable and do not reflect market terms for the properties in question.

42. Specific concerns include, without limitation:

- a) the 269 Lease provides for an initial seven-month rent free period, from October 1, 2020 to April 30, 2021;
- b) no provision is made for deposit of first or last month's rent and the security deposit required is \$1,000, only;
- c) after the initial rent-free period, gross rent payable under the 269 Lease is equal to \$3,333.33 per month, plus HST, for the 1st and 2nd year of the lease term, 3,666.66 per month, plus HST, for the 3rd and 4th year and \$3,750 per month, plus HST, for the 5th year. On the basis of the rent rolls obtained by the Receiver, the former tenant of the 162/166 Main St. property, by comparison, paid base rent of \$114,000 annually, plus additional recoveries of approximately \$74,000, approximately five times higher than those rents contemplated by the 269 Lease. Furthermore, such rates were paid by the former tenant in connection with the 162/166 Main St. property only, whereas the 269 Lease significantly expands the total leased property to include the adjacent property located at 160 Main Street, on which the Barn is located;
- d) the 269 Lease is for an initial 5-year term but can be extended at the tenant's option for a further 5-year term; and
- e) the 269 Lease confers upon the tenant a right of first refusal to purchase the 160 Main St. and 162/ 166 Main St. properties in the event of any sale.

43. The Receiver has consulted with Colliers as to the potential impact of the 269 Lease on the Receiver's ability to market those properties for sale and obtain fair market value. Colliers has advised that it is of the view that the terms of the 269 Lease are likely to have a significant adverse impact on the Receiver's ability to market and sell the 160 Main St. and 162/166 Main St. properties. Colliers further confirmed to the Receiver that the terms of the 269 Lease are not, in its view, reflective of market rates for the subject properties.

44. Furthermore, while the 269 Lease states that it is "effective as of June 1, 2020", it is otherwise not dated. In the Receiver's view, it would be appropriate to verify the timing of its execution, in all the circumstances.

45. As a result of the foregoing the Receiver is of the view that:

- a) the provision of further substantiating evidence as to the circumstances and timing for the generation and execution of the 269 Lease is required;
- b) even if otherwise validly entered into by arm's length parties at a time when the Properties were not subject to this Receivership proceeding, the 269 Lease does not represent fair market value terms of lease for the subject properties and is not commercially reasonable; and
- c) if maintained, it is likely that the 269 Lease will:
 - (a) have a significant adverse impact on the Receiver's ability to market and sell the subject properties; and
 - (b) significantly reduce the value received for the subject properties in any potential sale; and

-
- d) in the interest of facilitating the sale of the 160 Main St. and 162/166 Main St. properties and maximizing realizations for the benefit of creditors, an Order terminating the 269 Lease should be granted.
46. On December 1, 2020, Torkin wrote to 269 to advise 269 of (i) the Receiver's position with respect to the 269 Lease, (ii) that the Receiver would not be providing access to the subject properties, and (iii) the Receiver's intention to seek an Order terminating the 269 Lease. A copy of Torkin's communication to 269 (the "**Torkin December 1 E-mail**") is attached to this First Report as **Appendix "E"**.
47. By letter dated December 8, 2020 (the "**McLean December 8 Letter**"), Reginald Murray McLean, counsel to 269, responded to Torkin and repeated 269's prior request for access. A copy of the McLean December 8 Letter is attached to this report as **Appendix "F"**.
48. Counsel for the Receiver responded to Mr. McLean by e-mail (the "**Torkin December 8 E-mail**") to advise that a hearing date of January 4, 2021 has been scheduled to address certain issues in relation to the Properties, including the termination of the 269 Lease. A copy of the Torkin December 8-mail to Mr. McLean is attached to this First Report as **Appendix "G"**.
49. As of the date of this First Report, the Receiver and its counsel have not received any further communications from either 269 or Mr. McLean.
50. For the reasons set out above, the Receiver is seeking an Order terminating the 269 Lease.

VII. CORRESPONDENCE WITH THE RESPONDENTS

51. On October 30, 2020, the Receiver sent a letter (the “**October 30 Letter**”) to Mr. Dave, who the Receiver understands to be the principal of the Respondents, to request certain information relating to the Properties. A copy of the October 30 Letter is attached to this First Report as **Appendix “H”**.

52. Specific information requested by the Receiver included the following:

- a) a list of all creditors of the Properties, including names, mailing addresses, and amounts owing;
- b) confirmation (if that is the case) that the Properties represent all or substantially all of the assets of Unionville Re-Dev Corporation, Unionville Re-Dev Phase 2 Corporation and Blacksmith Partners Inc.;
- c) the HST account(s) in respect of which the revenues and expenses for the Properties have been reported to CRA;
- d) statements of income and expenses for each of the Properties for the last 12 months;
- e) copies of all tenant leases;
- f) copies of contracts between the Debtors, or any of them, that relate to the Properties and/or their operations (i.e. equipment leases/rental agreements);
- g) most recent property/realty tax statements for each of the Properties;
- h) copies of the insurance policies in place for the Properties;

-
- i) name and account number of each utility service provider, and a recent invoice from each provider;
 - j) name, account number and contact information of any other recurring service providers such as waste removal, snow removal, property maintenance, HVAC maintenance, security companies, etc.;
 - k) appraisals for each of the Properties;
 - l) Environmental Site Assessment reports for each of the Properties;
 - m) any surveys, permits, architectural drawings, engineering reports, landscaping plans, geotechnical reports, or other documents relating to the Properties, collectively or individually; and
 - n) copies of correspondence with the City of Markham regarding future development plans for the Properties.

53. On November 2, 2020, Mr. Dave advised that he would provide a response his response by November 6, 2020.

54. As no response was received and the requested information was not provided, on November 11, 2020, the Receiver reiterated its request, and asked for its request to be complied with by noon on November 12, 2020. No response was received.

55. On November 18, 2020, counsel for the Receiver sent correspondence to Mr. Dave once again reiterating the Receiver's requests for information, reminding Mr. Dave of the duty to cooperate set out in the Appointment Order and advising Mr. Dave that continued non-compliance could necessitate that relief be sought against him personally.

56. Following demand from counsel, on each of November 18, 2020, November 26, 2020 and December 1, 2020 Mr. Dave delivered correspondence to the Receiver in which he committed to timelines by which he would deliver the requested information, which he then failed to meet. To date, Mr. Dave has not provided any of the requested information. Copies of correspondence sent to Mr. Dave and his responses to same are collectively attached to this First Report as **Appendix "I"**.

57. Furthermore, while attending at the Properties on or about December 9, 2020, certain tenants disclosed to the Receiver that Mr. Dave continued to communicate with them in relation to matters concerning the Properties, and had advised them that the receivership proceedings had been resolved, that the Receiver no longer had any authority in relation to the Properties and that the Properties were again fully under his control. It was evident to the Receiver that there appeared to be confusion amongst certain tenants as to the status of these proceedings and the scope of the Receiver's authority.

58. By e-mail dated December 10, 2020 (the "**Torkin December 10 E-mail**") Torkin wrote to Mr. Dave and advised that such conduct, to the extent that it had occurred, amounted to obstruction of the Receiver's ability to perform its duties and was a very serious concern. Once again, counsel for the Receiver demanded that Mr. Dave comply with the Receiver's previous requests for information and documentation relating to the Properties. A copy of the Torkin December 10 E-mail is attached to this First Report as **Appendix "J"**.

59. On December 10, 2020, Mr. Dave delivered correspondence in response (the "**Dave December 10 E-mail**") in which he denied having made any such

representations to tenants of the Properties. Mr. Dave further undertook to provide the Receiver with copies of all leases by December 11, 2020, and the balance of the information by December 14, 2020. A copy of the Dave December 10 E-mail is attached to this First Report as **Appendix “K”**.

60. As of the date of this First Report, the requested information has not been provided by Mr. Dave. The Receiver is furthermore concerned that should the Receiver continue to encounter difficulties in obtaining documents and information from Mr. Dave in a timely fashion, including the information and documentation already requested but not received, the Receiver’s ability to effectively and efficiently perform its duties could be impaired, unnecessary expenses will likely be incurred, and prejudice to the creditors could result.

61. The Receiver therefore respectfully requests that the Court issue an Order (i) directing that Mr. Dave is to deliver to the Receiver, by no later than January 12, 2021, all requested documents and information within either his or the Respondents’ power, possession or control or, where such documentation cannot be provided, a detailed explanation as to the reasons for same, and (ii) directing Mr. Dave to comply in a timely fashion with any further requests made by the Receiver for information or documents relating to the Properties.

VIII. SALE PROCESS

62. Pursuant to the terms of the Appointment Order, the Receiver is authorized to market the Properties for sale, including advertising and soliciting offers in respect of the Properties.

63. In light of the Respondents' intentions with respect to the Proposed Development, and with a view to establishing an effective marketing strategy and maximizing potential realizations on any sale of the Properties, the Receiver has considered the question of what impact any development potential for the Properties might have on the determination of an appropriate marketing strategy.

64. To this end, the Receiver invited five (5) commercial realtors, Avison Young, CBRE Limited, Lennard Commercial Realty, Cushman & Wakefield ULC, and Colliers, to each submit listing proposals for the marketing and sale of the Properties. Each was requested to consider two distinct approaches and estimated range of potential outcomes for each, these being:

- a) for the sale of the Properties individually as separate retail-commercial properties (the "**As-Is Approach**"); and
- b) for the sale of the Properties (together with an additional property not under receivership, whose participation would be required in order to complete the necessary assembly), as an assembly of parcels suitable for development (the "**Assembly Approach**").

65. The Receiver has received and reviewed listing proposals submitted by four of the above commercial realtors, the fifth having declined to do so. Following its review of the proposals submitted, the Receiver, with the concurrence of First Source, recommends that this Court authorize the Receiver to enter into a listing agreement with Colliers to market the Properties for sale on the basis of the As-Is Approach. A summary of the listing proposals submitted to the Receiver is attached to this First Report as **Confidential Appendix "L"**. A copy of the

proposed listing agreement, which has been executed by Colliers, is attached to this First Report as **Confidential Appendix “M”** (the **“Listing Agreement”**).

66. Colliers’ proposed sale process for the Properties (the **“Sale Process”**) is summarized in the table below:

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Pre-Marketing Period</i>		
Due diligence	<ul style="list-style-type: none"> ➤ review all available documents concerning the Properties, including environmental reports and planning and development reports; and ➤ formulate initial development scheme showing the possible redevelopment options, taking into account any site specific restrictions. 	pre-marketing launch
Finalize marketing materials	<ul style="list-style-type: none"> ○ populate an online data room; ○ prepare a confidentiality agreement (“CA”); ○ prepare form of Agreement of Purchase and Sale (“APS”). 	January 2021
Prospect Identification	<ul style="list-style-type: none"> ➤ develop a master prospect list; pre-marketing discussions with targeted developers. 	January 2021
<i>Phase 2 – Marketing</i>		
Stage 1	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ print offering summary and marketing materials; ○ telephone and email canvassing of leading prospects; and 	January and February, 2021

Summary of Sale Process		
Milestone	Description of Activities	Timeline
	<ul style="list-style-type: none"> ○ meet with and interview prospective purchasers. 	
Stage 2	<ul style="list-style-type: none"> ➤ provide detailed information to qualified prospects which sign the CA, and access to the data room; and ➤ facilitate all diligence by interested parties. 	January & February, 2021
Stage 3	<ul style="list-style-type: none"> ➤ prospective purchasers to submit APS' or other proposals. 	Deadline for offers tentatively scheduled for 5-6 weeks following Colliers' marketing launch
<i>Phase 3 – Offer Review and Negotiations</i>		
Selection of Successful Bids	<ul style="list-style-type: none"> ➤ review of offers and select successful bidder and finalize definitive documents. 	Week 6 after marketing launch
Sale Approval Motion and Closing	<ul style="list-style-type: none"> ➤ Motion for sale approval and closing of the transaction. 	TBD

67. Additional aspects of the Sale Process include:

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

68. The Receiver respectfully requests that an Order be granted (i) approving the Sale Process, (ii) authorizing the Receiver to execute the Listing Agreement and to proceed with implementing the Sale Process, and (iii) sealing Confidential Appendices L and M.

IX. CONCLUSION


69. The Receiver respectfully requests that the Court make an Order:

- (i) amending the Appointment Order;
- (ii) terminating the 269 Lease;
- (iii) directing that Mr. Dave:
 - (a) deliver to the Receiver by no later than January 12, 2021 all documents and information referenced in the Receiver's October 30, 2020 correspondence or, where unable to do so, a detailed explanation as to as the reasons for such inability; and
 - (b) comply in a timely fashion with any and all further requests for information or documents relating to the Properties which are in his or the Respondents' power, possession or control;
- (iv) approving the Sale Process including authorizing and directing the Receiver to enter into the Listing Agreement;
- (v) sealing Confidential Appendices L and M to the First Report; and
- (vi) approving the First Report and the Receiver's conduct and activities set out therein.

All of which is respectfully submitted to this Court as of this 22nd day of December, 2020.

RSM CANADA LIMITED

In its capacity as Court-appointed Receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main St., Unionville, Ontario and not in its personal or corporate capacity



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

C

From: "Gilmore, Madam Justice Cory (SCJ)" [REDACTED]
Date: January 15, 2021 at 1:58:38 PM EST
To: Jeff.Larry@paliareroland.com, Stewart Thom <sthom@torkinmanes.com>, MR@friedmans.ca
Cc: JUS-G-MAG-CSD-Toronto-SCJ Commercial List [REDACTED]
Subject: First Source Financial Management Inc. v. Unionville Re-Dev Corporation et al.

This is an external email.

Endorsement of Gilmore, J.

This conference was requested by Mr. Russell on behalf of the debtors. He is concerned that the Receiver is accelerating the sales process while his clients still have questions and concerns about the marketing process. A Receivership Order was granted by me in this proceeding October 16, 2020. In accordance with the usual provisions of such Orders, the Receiver is authorized to take possession of and sell, convey or transfer the subject properties. The Receiver is poised to sign a listing agreement with Colliers to commence a seven week marketing plan which is composed of three weeks of "soft" marketing and four weeks of the usual open market marketing. There is a motion scheduled for February 8, 2021 at which the Receiver seeks to terminate a lease for one of the properties. Assuming such an Order is obtained, the Receiver will be free to move from soft to more aggressive marketing of the properties.

Mr. Russell, on behalf of the debtors raises a number of issues as follows:

1. The Debtors intend to respond to the motion date originally set by the Receiver for March 24, 2021 to approve the sale process and authorize a listing agent.
2. The debtors require information about the sales process including reviewing listing proposals which the Receiver has withheld from its motion materials as confidential information. The debtors have concerns about the way in which the properties are to be marketed given their development potential and the personal guarantees at stake.
3. The Receiver has provided a draft NDA which would permit the debtors to review the confidential material (subject to a non-participation clause). The debtors need more time to review this.
4. The debtors do not intend to delay. Their concerns can be addressed as part of the February 8th motion.

The Receiver makes the following response:

1. The Receiver does not require approval to proceed with a sales process. The authorization is already contained in the October 15, 2020.
2. Over \$100,000 in interest accumulates each month that goes by without a sale taking place.
3. Colliers is an experience commercial realtor whose marketing plan should be given weight.
4. The debtors have refused to provide access to certain documents in possession of KLM Planning Partners. The Receiver seeks an Order today compelling such production. The debtors oppose such an order and seek to have the matter dealt with on February 8, 2021.
5. The debtors received a copy of the NDA on Monday and have still not provided their comments. The delays requested by the debtors will interfere with the marketing plan recommended by Colliers.

I agree with the Receiver that the debtors are essentially asking the court to restrain it from moving ahead with a sales process that has already been approved by the Court. I do not make any Order with respect to delaying the signing of the listing agreement with Colliers or the sales process in general. The debtors have had time to sign the NDA but have not dealt with it. They can still do so and obtain the confidential materials if they intend to take steps to bring a proper motion for relief in relation to the sales process at some future point.

The KLM Planning Partners documents should be produced by the debtors (on instruction to KLM) without the necessity of a motion. If they are not, the Receiver may request this relief at the February 8, 2021 motion.

In addition, this court orders that the following timetable be complied with in respect of the Receiver's motion for termination of the 269 Lease, as defined in the First Report, scheduled to be heard on February 8, 2021:

- 269's materials responding to the lease termination issue to be served on or by January 26, 2021
- Any supplemental report from the Receiver, if necessary, to be served by January 28, 2021
- If any examination of 269's affiant is required, such examination shall be conducted on January 29, 2021
- The Receiver's factum is to be served on or by February 2, 2021
- 269's factum is to be served on or by February 5, 2021

I would ask that Mr. Thom circulate this email to any other interested parties.

January 15, 2021



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



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

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

**UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION, and
BLACKSMITH PARTNERS INC.**

Respondents

SUPPLEMENTAL REPORT TO THE FIRST REPORT OF THE RECEIVER

JANUARY 28, 2021

I. INTRODUCTION

1. Pursuant to an application made by First Source Financial Management Inc. (“**First Source**”), by Order of the Ontario Superior Court of Justice (the “**Court**”) dated October 16, 2020, with effect from October 27, 2020, RSM Canada Limited (“**RSM**” or the “**Receiver**”) was appointed as receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario owned by the Respondents (the “**Properties**”). On October 29, 2020, and subsequently on January 4, 2021, certain amendments were made to the appointment order pertaining to the description of the properties subject to the receivership (such order, as amended, the “**Appointment Order**”).
2. The First Report of the Receiver dated December 22, 2020 (the “**First Report**”) was filed in connection with a motion by the Receiver seeking, inter alia, an Order:
 - i) amending the Appointment Order to make a correction to the municipal address for certain of the Properties;
 - ii) terminating the 269 Lease (as defined in the First Report);
 - iii) directing that Mr. Harshall Dave:
 - a. deliver to the Receiver by no later than January 12, 2021 certain information relating to the Properties in his, or the Respondents’, power, possession or control; and
 - b. comply in a timely fashion with any further requests made by the Receiver for information or documents relating to the Properties; and

iv) approving the Sale Process and authorizing the Receiver to enter into the Listing Agreement (defined below) with Colliers and to list and market the Properties in accordance with the recommendations of the Receiver as set out in this First Report.

3. This Supplemental Report should be read in conjunction with the First Report, including the Terms of Reference contained therein. Capitalized terms herein have the same definition as in the First Report.

II. SCHEDULING OF THE FEBRUARY 8 MOTION

4. Shortly prior to the return of the January 4, 2021 motion, counsel for 269, the tenant under the 269 Lease, contacted the Receiver to request a two-week adjournment of the motion to allow 269 to prepare responding materials opposing termination of the 269 Lease.
5. In addition, Counsel for the Respondents and their principal, Mr. Harshall Dave, contacted the Receiver to request an adjournment of the motion “to be able to properly review the matters raised on the motion, including with respect to the listing proposals and the Receiver’s recommendation to select Colliers. Respondents’ counsel also requested disclosure of the Confidential Appendices to the First Report and asked that the motion be adjourned to a date that was 45-60 days after the provision of such information.
6. The Receiver did not oppose the request for adjournment by 269, but asked that the adjournment be brief, so as not to unduly delay progression of the Sale Process for the Properties. At the attendance on January 4, 2021, before the Honourable Cavanagh J., the Receiver’s motion was adjourned to the next available date,

which, as of that time, was March 24, 2021. Attached as **Appendix “A”** is a copy of the Endorsement of Cavanagh J. dated January 4, 2021.

7. On January 11, 2021, the Receiver provided counsel for the Respondents with a draft Non-Disclosure and Non-Participation Agreement (the “**NDA**”) required by the Receiver to be executed by the Respondents prior to the Receiver’s disclosure of the Confidential Appendices to the First Report. As of the date of this Supplemental Report, the Respondents have not executed the NDA, nor provided any comments in connection with same.
8. In consultation with the intended listing agent, Colliers, and having regard to the interests of the stakeholders and the implications of a lengthy delay in commencement of the Sale Process (including the accrual of approximately \$200,000 per month in interest on the debt outstanding to the senior secured creditor), the Receiver determined that the best course of action would be to commence the Sale Process as soon as possible.
9. Furthermore, based on the Sale Process timeline recommended by Colliers, it was the Receiver’s view that if the Sale Process was commenced during the third week of January 2021, the scheduled hearing date of March 24, 2021 could likely be used not only for approval of the Sale Process, but also for approval of any selected offer(s) to purchase the Properties, which were made on a non-conditional basis.
10. Colliers advised the Receiver, however, that completion of the Sale Process without any determination or certainty of the 269 Lease termination issue could have a detrimental effect on the Sale Process, impair the Receiver’s ability to

maximize value and may discourage interested parties from committing resources towards making an offer to purchase those properties subject to the 269 Lease. Accordingly, through consultation with the Commercial List scheduling office and with the cooperation of counsel for 269, an earlier date of February 8, 2021 was obtained and scheduled for the hearing of the 269 Lease termination issue.

11. On January 13, 2021, the Receiver sent correspondence to the service list parties informing as to the advanced hearing date for the 269 Lease issue and advising of the Receiver's intention to commence the Sale Process and, if possible, seek Court approval of selected offers on the March 24, 2021 date, together with approval of the Sale Process. A copy of the January 13, 2021 email is attached as **Appendix "B"**.
12. Counsel for the Respondents communicated its objection to the commencement of the Sale Process, scheduling a Case Conference for January 15, 2021 to address its concerns with the Court. The January 15, 2021 Case Conference proceeded before the Honourable Gilmore J. Justice Gilmore accepted the Receiver's position that the Court had already authorized the Receiver to market the Properties for sale in the Appointment Order and that there was no basis for ordering that the Receiver be restrained from commencing the Sale Process. The Endorsement of Gilmore J. dated January 15, 2021 is attached as **Appendix "C"**.
13. At the Receiver's request, Justice Gilmore furthermore:
 - i) ordered a timetable for materials in relation to the 269 Lease termination issue; and

-
- ii) directed that Mr. Dave instruct KLM Planning Partners Inc. (“**KLM**”) to release certain documents relating to the Properties in the possession of KLM, who had expressed concern about releasing such documents without first obtaining the consent of Mr. Dave.

III. STATUS OF THE 269 LEASE TERMINATION ISSUE

- 14. 269 has complied with the timetable established by the Endorsement of Gilmore J. dated January 15, 2021 and delivered Responding materials. The timetable set by Gilmore J. contemplated that cross examinations, if any, were to be conducted on January 29, 2021.
- 15. In discussions prior to delivery of 269’s Responding materials, and as addressed in the First Report, the Receiver had requested that 269 provide evidence capable of substantiating the timing of execution of the 269 Lease, which is itself undated, in order to confirm that the document was not executed after, or on the eve of, the receivership. Following its review of the Responding materials, the Receiver is of the view that this issue is not adequately addressed therein.
- 16. In lieu of examinations, counsel for the Receiver and 269 agreed that it would be more practical for 269 to provide an undertaking, which would form part of the evidence of Ms. Mizrachi, 269’s affiant, to produce documentation relevant to the formation and timing of the 269 Lease and forego formal cross examinations.
- 17. Pursuant to this arrangement, the Receiver has requested that 269 produce to the Receiver by the end of day on Monday February 1, 2021, the following:
 - i) copies of all written correspondence between 269 and the owner:

-
- a) containing negotiations or discussions relating to terms of the 269 Lease;
 - b) exchanging any drafts of the 269 Lease; and
 - c) delivering executed copies of the 269 Lease; and
- ii) if requested, copies of such correspondence in original and unedited electronic format.

IV. STATUS OF THE KLM DOCUMENTATION

18. Following the January 15, 2021 Case Conference, the Receiver made several requests of KLM for those documents more particularly set out in the First Report (the “**KLM Documents**”), as well as requests of Mr. Dave that he consent to the release of same as directed. Correspondence between the Receiver, KLM and counsel for Mr. Dave/the Respondents is attached as **Appendix “D”**.
19. On January 26, 2021, counsel for Mr. Dave/the Respondents advised, for the first time, that his clients’ position was that the KLM Documents were property of Watford Development Inc. (“**Watford**”), subject to a Development Management Agreement between Watford and the Respondents, and that Watford opposed their use for any purpose without the consent of Watford.
20. Watford, of which Mr. Dave is a Director and Officer, is a related company to the Respondents. The Corporation Profile Report for Watford is attached as **Appendix “E”**. The Development Management Agreement provided by counsel for the Respondents is attached as **Appendix “F”**.

21. The Receiver has requested that counsel for the Respondents provide evidence to substantiate their claim that the KLM Documents are not owned by the Respondents, which assertion appears to contradict other documentation in the possession of the Receiver, as well as documentation provided by KLM. Attached as **Confidential Appendix “G”** is a copy of a January 29, 2019 letter from KLM to Unionville Re-Dev Corporation. Attached as **Confidential Appendix “H”** is a copy of correspondence from KLM responding to questions from the Receiver regarding ownership of the KLM Documents.

V. USE OF THE KLM DOCUMENTATION

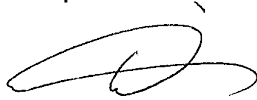
22. The KLM Documents are documents generated in preparation for seeking the municipal approvals necessary in relation to the intended Proposed Development (as referenced in the First Report).
23. As discussed in the First Report, the Sale Process is proceeding on the basis of the As-Is Approach, meaning that the Receiver has determined that it would not be in the best interests of the stakeholders for the Receiver to pursue acquisition of the additional properties (i.e., properties that are not subject to this receivership) needed to complete the assembly of properties required for the Proposed Development (the **“Third Party Properties”**).
24. It is, however, intended that Colliers will nonetheless market the Properties to developers as a potential development opportunity, with the responsibility for establishing any necessary arrangements with the owners of the Third Party Properties falling on the purchaser.

-
25. Colliers has advised that the KLM Documents would be of significant interest to potential purchasers from the development community and has requested that, if possible, these be included in the data room for the Properties and available for review by potential purchasers.
 26. The Receiver has agreed with the Respondents and KLM to receive the KLM Documents on the basis that these will not be further disclosed or used without the consent of Mr. Dave/Watford or, otherwise, Court authorization.
 27. The Receiver requests that the Court authorize the Receiver to provide the KLM Documents to Colliers for the purpose of making these available to potential purchasers of the Properties who have signed confidentiality agreements and have been granted access to the data room.

All of which is respectfully submitted to this Court as of this 28th day of January, 2021.

RSM CANADA LIMITED

In its capacity as Court-appointed Receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main St., Unionville, Ontario and not in its personal or corporate capacity.



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

E

Court File Number: CV-20-00647644-00CL

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicants

AND

**UNIONVILLE RE-DEV CORPORATION, UNIONVILLE RE-DEV PHASE 2
CORPORATION and BLACKSMITH PARTNERS INC.**

Respondent

Case Management Yes No by Judge: _____

Counsel	Telephone No:	Email/Facsimile No:
Stewart Thom for Receiver Jeff Larry for First Source Jordan Potasky for second mortgagees		
Reginald McLean for 2692006 Mark Russell for respondents		

- Order Direction for Registrar (**No formal order need be taken out**)
 Above action transferred to the Commercial List at Toronto (**No formal order need be taken out**)

- Adjourned to: _____
 Timetable approved (as follows): _____
-

Date Heard: February 8, 2021

- [1] RSM Canada Limited, the Court appointed receiver of certain properties (the “Receiver”) brings this motion for an order terminating a lease (the “Lease”) for certain property municipally known as 160 Main Street and 162/166 Main Street, Unionville, Ontario (the “Leased Property”) between the tenant, 2692006 Ontario Inc. (“269”), and the respondent property owner Blacksmith Partners Inc. (the “Owner”) and authorizing the Receiver to market and sell the Leased Property free and clear of the Lease.
- [2] The receiver’s motion is supported by the first mortgagee, First Source Management Inc. (“First Source”), and by the second mortgagees.
- [3] 269, supported by the Owner, opposes the relief sought.

Factual Background

- [4] On the application of First Source, by an order dated October 16, 2020 with effect from October 27, 2020 (the “Appointment Order”), the Receiver was appointed as receiver of properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario owned by the respondents (the “Properties”).
- [5] The Appointment Order authorizes the Receiver to, among other things, (i) exercise control over the Properties and any and all proceeds, receipts and disbursements arising out of or from the Properties, (ii) market the Properties, and (iii) sell, convey, transfer, lease or assign the Properties with the approval of the court, and (iv) apply for any vesting order or other orders necessary to convey the Properties or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances affecting the Properties.
- [6] Through its discussions with neighbouring tenants, the Receiver had been advised that on or around March 1, 2020, the former tenant of 162/166 Main Street, operating as the Blacksmith Bistro, ceased operations and vacated the property. The Receiver was advised that this property had remained vacant since that time. As of the date of the appointment of the Receiver, the two separate units on this property, a street facing restaurant, and an adjacent alley-facing house, were vacant. The Receiver was unaware of any prior lease in respect of this property.
- [7] On November 25, 2020, the Receiver was contacted by a representative of 269 who advised the Receiver that 269 was the tenant of the 160 Main Street and 162/166 Main Street properties (which are, together, the Leased Property). The representative of 269 advised that she had been travelling outside of the country and had only become aware of the receivership, and that immediate access to the Lease Property was required for the purposes of performing renovation work in relation to it.
- [8] On November 26, 2020, a copy of the Lease was provided to the Receiver.
- [9] The Receiver has engaged Colliers Macauley Nicholls Inc. (“Colliers”) for the purpose of marketing the Properties for sale. The Receiver sought advice from its legal counsel and consulted with Colliers in connection with its evaluation of the Lease and its terms. In the First Report of the Receiver, the Receiver reports its view that the Lease terms are not commercially reasonable and do not reflect market terms for the properties in question. In its report, the Receiver identifies the following specific concerns:

- a. The Lease provides for an initial seven-month rent free period, from October 1, 2020 to April 30, 2021.
- b. No provision is made for deposit of first or last month's rent and the security deposit required is \$1,000, only.
- c. After the initial rent-free period, gross rent payable under the Lease is equal to \$3,333.33 per month, plus HST, for the first and second year of the lease term, \$3,666.66 per month, plus HST, for the third and fourth year and \$3,750 per month, plus HST, for the fifth year. On the basis of rent rolls obtained by the receiver, the former tenant of 162/166 Main Street property, by comparison, paid base rent of \$114,000 annually, plus additional recoveries of approximately \$74,000, which is approximately five times higher than the rents provided for by the Lease. Further, such rates were paid by the former tenant in connection with the 162/166 Main Street property only, whereas the Lease expands the total leased property to include the adjacent property located at 160 Main Street.
- d. The Lease is for an initial 5-year term but can be extended at the tenant's option for a further 5-year term.
- e. The Lease confers upon the tenant a right of first refusal to purchase the 160 Main St. and 162/166 Main Street properties in the event of any sale.

[10] The Receiver has consulted with Colliers as to the potential impact of the Lease on the Receiver's ability to market those properties for sale and obtain fair market value. Colliers has advised that it is of the view that the terms of the Lease are likely to have a significant adverse impact on the Receiver's ability to market and sell the 160 Main Street and 162/166 Main Street properties. Colliers further confirmed to the Receiver that the terms of the Lease are not, in its view, reflective of market rates for the subject properties.

[11] On behalf of 269, affidavit evidence has been filed by its principal, Ms. Tamara Mizrachi, and by Mr. Harshal Dave, the principal of the Owner.

[12] Ms. Mizrachi provided evidence that:

- a. She is 42 and has been employed in the hospitality industry for over 15 years. Her brother approached her in May 2020 with a potential opportunity for her to operate her own business. Her brother had been working as a property manager for Watford Development Inc., a company related to the Owner. She was advised that the previous operator of the restaurant at 160-166 Main Street had abandoned the premises and left all of its equipment, chattels, fixtures and other leasehold improvements on the premises and that the premises were available for rent.
- b. It was made clear to Ms. Mizrachi by Mr. Dave that she would likely be able to operate the restaurant only for some 2 to 3 years without any issues and that eventually the Watford Group would begin construction on the surrounding properties. She understood that the proposed rent was lower than might be expected because of all the restrictions and conditions on the new property, and in particular, the restaurant itself may have to be demolished and possibly moved for construction within a reasonably short period of time. It was also a benefit to her that she was getting all the equipment and chattels for free.

- c. The Lease was signed effective the 1st day of June 2020. The plan at that time was that, as a result of the COVID-19 crisis, work would not start on preparing the restaurant for operation until October. Over the summer, 269 engaged designers and signed a contract with one to assist 269 to plan the look and feel of the new restaurant. 269 provided a deposit in the amount of \$5,000 for this work.
 - d. When she went to see the Property in October with a view to commencing construction, Ms. Mizrachi learned that the landlord had gone into receivership and she needed to contact the Receiver about the Lease.
- [13] Mr. Dave provided evidence that the Blacksmith Bistro closed around April 2020 in the face of COVID-19 shutdowns and restrictions and, prior to that, the tenant had been suffering from health issues and was behind in rent. He states in his affidavit that tenants for the premises are hard to find because any new tenancy needs to be subject to Watford's development plans and the development schedule and acknowledge that the tenant's business can be impacted by the development. He states that the terms of the Lease include 269's acknowledgement of the future development plans and agreement to hold the landlord harmless for any loss of revenue or viability of operations arising from the development. Mr. Dave states that 269 received a tenant's inducement equal to seven months rent-free from October 1, 2020 and reduced rent provided for in the Lease in consideration of its acknowledgement regarding Watford's development plans, the impacts of COVID-19, and 269's capital improvements to be undertaken.
- [14] At the time the Lease was signed, the First Source Mortgage was in default. The maturity date for the First Source mortgage was June 2, 2020, the day after the Lease was signed. On May 25, 2020, counsel for First Source wrote to counsel for the respondents and confirmed that the mortgage loan would fall due on June 2, 2020, there was no agreement to extend the loan, and the intention of First Source is to proceed with enforcement immediately should the mortgage debt not be repaid in full at maturity. The Owner pointed to evidence that there were negotiations concerning the terms of a forbearance agreement which took place after the mortgage loan had fallen due. During these negotiations, First Source was not advised of the Lease.
- [15] The Owner made an agreement dated May 2, 2019 with First Source in which, among other things, the Owner covenanted and agreed with First Source (i) that all offers to lease and leases shall be bona fide, and (ii) the terms of which are to be approved by First Source prior to execution and shall be at rental rates and terms consistent with comparable space in the area of the applicable lands and premises. The Owner did not seek the approval of First Source to the terms of the Lease.
- [16] Colliers has advised the Receiver that obtaining certainty on the Lease termination issue is of critical importance for the remainder of the sale process and that to complete the final phase of the sale process as described in the First Report of the Receiver without such certainty could have a detrimental effect on the marketing efforts and impair the Receiver's ability to maximize value.

Analysis

- [17] In *Third Eye Capital Corp. v. Dianor Resources Inc.*, 2019 ONCA 508, the Court of Appeal for Ontario noted, at para. 73, that the purpose of a receivership is to enhance and facilitate the preservation and realization of the assets for the benefit of creditors and that such

purpose is generally achieved through a liquidation of the debtor's assets. The essence of a receiver's powers is to liquidate the assets under receivership and the receiver's primary task is to ensure that the highest value is received for the assets so as to maximize the return to creditors.

- [18] In *Third Eye*, the Court of Appeal, at paras. 40-41, accepted that s. 100 of the *Courts of Justice Act* provides a power to vest out interests on a free and clear basis so long as the terms of the order are appropriate and accord with principles of equity.
- [19] In *Third Eye*, the Court of Appeal, at para. 110, set out the framework for a court to follow in determining whether to order the extinguishment of an interest in land. A court should consider (1) the nature and strength of the interest in land that is proposed to be extinguished, and (2) whether the interest holder has consented to the vesting out of their interest either in the insolvency process itself or in the agreements reached prior to the insolvency. If these factors prove to be ambiguous or inconclusive, the court may then engage in a consideration of the equities to determine if a vesting order is appropriate in the particular circumstances of the case. This would include consideration of the prejudice, if any, to the third party interest holder; whether the third party may be adequately compensated for its interest from the proceeds of the disposition or sale; whether, based on evidence of value, there is any equity in the property; whether the parties are acting in good faith; and any other factors as may be relevant to the analysis.
- [20] When I consider the nature and strength of the interest created by the Lease, I note that the First Source first mortgage and the second mortgage in favour of Paul Vasilovsky and Thomas Vasilovsky were registered on title prior to the Lease being signed and, as such, these mortgages have priority over the Lease. Had First Source proceeded to enforce its mortgage by power of sale, the Leased Property could have been sold free and clear of the 269 Lease. First Source did not do so and sought the appointment of a receiver. However, the second mortgagees did not seek the appointment of a receiver, although their right to enforce their mortgage by way of power of sale is stayed by the appointment order.
- [21] This factor is not determinative because the sale is not being conducted by power of sale, but through a court-appointed receiver.
- [22] The Lease does not contain a subordination provision and 269 has not agreed to the extinguishment of its rights under the Lease.
- [23] In this case, in order to determine whether to issue an order terminating the interest of a party in land, I must consider the equitable positions of the parties. See *Meridien Credit Union Ltd. v. 984 Bay Street Inc.*, [2006] O.J. No. 3169, at paras. 18-19.
- [24] I first note that the indebtedness secured by the first and second mortgages on the Leased Property far exceeds the value of the Leased Property. At the time the Lease was signed, the first source Mortgage had been in default for some time and the Owner had been advised that the mortgage would not be extended. This information supports the interest of the Receiver in maximizing return from liquidation of the property to creditors.
- [25] I accept the Receiver's submission that the rents payable under the Lease are less than what would be payable in the marketplace. The Receiver's report to the court supports this conclusion. The fact that the rents to be paid under the Lease are many times lower

than rents paid by a former tenant also supports this conclusion. Although the business of a restaurant would presently be affected by the COVID-19 pandemic, the term of the Lease is for a period far longer than the time that the pandemic is reasonably expected to adversely affect restaurant operations. I accept that the terms of the Lease are likely to have a significant adverse impact on the Receiver's ability to market and sell the Leased property.

- [26] Ms. Mizrachi accepts that the rent is "lower than expected" and she explains this by reference to "all of the restrictions and conditions on the new property", and, in particular, that the restaurant itself may have to be demolished and possibly moved within a reasonably short period of time. Ms. Mizrachi states in her affidavit that it was made clear to her by Mr. Dave that she would likely be able to operate the restaurant for only two to three years without any issues in that eventually the Watford Group would begin construction on the surrounding premises.
- [27] The Lease itself does not provide that 269 is required to surrender its rights under the Lease if the Owner wishes to develop the Leased Property. The Lease does, however, provide that 269 has the right to assign the Lease without the prior written consent of the Landlord and that 269 has the right to sublet the Lease without the prior written consent of the Landlord. The terms of the Lease, if it is not extinguished, would be binding on the Receiver and a purchaser, and include 269's right to assign the Lease or sublet the Leased Property without the landlord's consent. The rents payable under the Lease, which are below market rentals, would apply to and be binding on a purchaser, who would not have a right to terminate the Lease if it wished to develop the Leased Property. The rents payable would remain below market value for the term of the Lease, and any renewal.
- [28] 269 has not occupied or carried on business from the Leased Property. 269 has not paid rent under the Lease. Any amounts paid in connection with the Leased Property are, on the evidence before me, very modest. I accept that the Lease was a very favourable one for 269 and this factors into my considerations of the equities. However, 269 has not invested significant amounts into its proposed restaurant business, and it is able to look for another suitable location for its business.
- [29] Finally, as part of my consideration of the equities, I return to the fact that the First Source mortgage and the second mortgage have priority over the Lease and, had First Source proceeded by way of power of sale, the Leased Property could have been sold free and clear of the Lease. This is a factor which favours the interest of the Receiver in selling the Leased Property free of the Lease.
- [30] When I consider the equities between the Receiver and 269, I am satisfied that they favour an order extinguishing the interest of 269 under the Lease and that such an order is appropriate.

Disposition

[31] For these reasons, I order that the Lease is terminated. The Receiver does not seek costs.

Cavanagh J.

February 9, 2021

Court File No. CV-20-00647644-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
MR. JUSTICE CAVANAGH

)
)
)

TUESDAY, THE 9TH
DAY OF FEBRUARY, 2021

B E T W E E N:

(Court Seal)

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION and
BLACKSMITH PARTNERS INC.

Respondents

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
(RE LEASE TERMINATION)**

THIS MOTION, made by RSM Canada Limited (the “**Receiver**”), in its capacity as court appointed Receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario (collectively, the “**Properties**”), was heard on February 8, 2021 by zoom video-conference before a Judge of the Ontario Superior Court of Justice, Commercial List.

ON READING the First Report of the Receiver dated December 22, 2020 and the Supplemental Report to the First Report dated January 28, 2021 (collectively, the "**First Report**") and on hearing the submissions of the lawyers for the interested parties,

1. THIS COURT ORDERS AND DECLARES that the 269 Lease, as defined in the First Report, is terminated and is of no effect.

2. THIS COURT ORDERS the Receiver is authorized to market for sale and to sell the below properties free and clear of any interest created by the 269 Lease:

(a) The property having municipal address of 160 Main Street, Unionville and having Property Identification Numbers 02979-0301 (LT) and 02979-0172 (LT); and

(b) The property having municipal address of 162 and 166 Main St., Unionville and having Property Identification Number 02979-0122 (LT).

(Signature of judge, officer or registrar)

RCP-E 59A (September 1, 2020)

FIRST SOURCE FINANCIAL MANAGEMENT INC.
Applicant

-and- UNIONVILLE RE-DEV CORPORATION et al.
Respondents

Court File No. CV-20-00647644-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

TORKIN MANES LLP
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Tel: 416-777-5197
Fax: 1-877-689-3872

Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (May 1, 2016)

F

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

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

**UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION, and
BLACKSMITH PARTNERS INC.**

Respondents

SECOND REPORT OF THE RECEIVER

MAY 6, 2021

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I. INTRODUCTION

1. Pursuant to an application made by First Source Financial Management Inc. (“**First Source**”), by Order of the Ontario Superior Court of Justice (the “**Court**”) dated October 16, 2020, with effect from October 27, 2020, RSM Canada Limited (“**RSM**” or the “**Receiver**”) was appointed as receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario owned by the Respondents (the “**Properties**”). Amendments to the appointment order were made on October 29, 2020 and January 4, 2021. A copy of the Appointment Order as amended (the “**Appointment Order**”) is attached to this report as Appendix “**A**”.
2. On December 22, 2020, the Receiver issued its First Report to the Court (the “**First Report**”) for the purpose of, among other things, seeking an Order:
 - (i) terminating the lease between 2692006 Ontario Inc. (“**269**”) and the Respondent Blacksmith Partners Inc. (the “**269 Lease**”) in respect of the properties located at 160 Main St. and 162/166 Main St.;
 - (ii) amending the description of the Properties as set out in the Appointment Order; and
 - (iii) approving the Sale Process (as defined in the First Report) and authorizing the Receiver to enter into a listing agreement with Colliers.

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

-
3. At the return of the motion on January 4, 2021 (the “**January 4 Motion**”), Justice Cavanagh granted the requested amendments to the Appointment Order, adjourning the balance of the motion so as to permit responding materials to be filed.
 4. A Case Conference was held on January 15, 2021, to address, without limitation, (i) the Receiver’s intention to commence the Sale Process for the Properties; (ii) timelines for the determination of the outstanding relief sought on the January 4, Motion; and (iii) the Receiver’s request for assistance from the Court in obtaining from a third party documents relating to the Properties. The January 15, 2021 Case Conference proceeded before the Honourable Justice Gilmore. Justice Gilmore:
 - a) agreed that the Receiver was authorized by the terms of the Appointment Order to commence the Sales Process as intended;
 - b) ordered a timetable for materials in relation to the 269 Lease termination issue, to be heard on February 8, 2021; and
 - c) stated that the documents prepared by KLM Planning Partners Inc. (the “**KLM Documents**”) “should be produced by the debtors (on instruction to KLM) without the necessity of a motion. If they are not, the Receiver may request this relief at the February 8, 2021 motion.”

A copy of Justice Gilmore’s Endorsement made on January 15, 2021 (the “**January 15 Endorsement**”) is attached to this report as Appendix “**C**”.

5. The Receiver’s Motion respecting termination of the 269 Lease was heard on February 8, 2021, by the Honourable Justice Cavanagh. The Receiver’s Supplemental Report to the First Report of the Receiver dated January 28, 2021 (the “**First Supplemental Report**”) filed in advance of the hearing of the motion is attached as Appendix “**D**”.
6. In his Endorsement, issued the following day on February 9, 2021, Justice Cavanagh ordered that the 269 Lease be terminated and authorized the Receiver to market and sell the corresponding properties free and clear of any interest created by the 269 Lease (the “**Lease Termination Order**”). A copy of the Lease Termination Order and the Endorsement of Justice Cavanagh are attached to this report as Appendix “**E**”.
7. At the February 8, 2021 hearing, additional relief sought by the Receiver in relation to its use of the KLM Documents was adjourned to February 24, 2021. The issues concerning the KLM Documents were, however, subsequently resolved without need for a hearing.
8. Court materials, Orders and other pertinent documents have been posted on the Receiver’s website, which can be found at <http://www.rsmcanada.com/160-162-166-170-174-178-186-main-street>.

II. PURPOSE OF REPORT

9. The purpose of this second report to the Court (the “**Second Report**”) is to:

-
- (a) report to the Court on the activities of the Receiver from the date of its First Report to April 30, 2021;
 - (b) report to the Court on the results of the Sale Process and activities leading to receipt of an offer for the Properties, as well as the agreement of purchase and sale entered into by the Receiver that is conditional, *inter alia*, on the Court's approval of the transaction set out therein;
 - (c) provide an update to the Court on the Receiver's requests for information from the Respondents;
 - (d) report to the Court on the status of the Properties and the Receiver's activities in connection therewith, including the Receiver's interactions with tenants of the Properties;
 - (e) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period July 15, 2020 to April 30, 2021 (the "**Interim R&D**");
 - (f) report on the fees incurred by the Receiver and its counsel; and
 - (g) seek an order:
 - i. authorizing and directing the Receiver to enter into and carry out the terms of the APS (as defined below), together with such minor amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Purchased Assets (as defined in the APS) in the Purchaser (as defined below), or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the

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- transaction under the APS and the delivery of a Receiver's certificate to the Purchaser;
- ii. sealing Confidential Appendix H to the Second Report, including Tabs 2 and 3 thereto until the closing of the sale of the Properties;
 - iii. permanently sealing Tab 1 to Confidential Appendix H;
 - iv. authorizing the Receiver to make the Interim Distribution (as defined herein);
 - v. approving the First Report, the First Supplemental Report, the Second Report, and the Receiver's conduct and activities to date as set out in each of the reports;
 - vi. approving the Interim R&D; and
 - vii. approving the fees of the Receiver and its counsel.

Terms of Reference

- 10. In preparing this Second Report and making the comments herein, the Receiver has relied upon certain information from third-party sources (collectively, the "**Information**"). The Receiver has, 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 CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
- 11. Unless otherwise stated, all dollar amounts contained in the Second Report are expressed in Canadian dollars.

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12. Defined terms in this Second Report have, unless indicated otherwise herein, the same meanings as set out in the First Report and the First Supplemental Report.

III. BACKGROUND

13. First Source is a private lender and mortgage broker in the business of originating and administering mortgage loans in Ontario. First Source holds a first mortgage in the principal amount of \$16,285,256 against the Properties (the “**First Mortgage**”). As of June 4, 2020, the amount outstanding under the mortgage held by First Source was \$14,156,122.
14. The Respondents failed to repay the amount of the loan due and owing on the maturity date of the First Mortgage and First Source sought the appointment of the Receiver pursuant to a Notice of Application dated September 15, 2020.
15. By Order of the Court dated October 16, 2020, with effect from October 27, 2020, RSM was appointed as receiver of the Properties.

The Properties

16. The Properties consist of a near-contiguous stretch of parcels located on Main St. Unionville, forming part of the central business and shopping district within the Unionville community.
17. There are six (6) retail/commercial buildings situated on the various Properties, with a total of 10 rentable units. The location and description of the rentable units are described in the First Report.
18. Prior to the appointment of the Receiver, the owners of the Properties had been engaged in planning the potential construction of a mixed use condominium

development on the site of the Properties, which plans do not appear to have progressed beyond early stages.

IV. RECEIVER'S ACTIVITIES SINCE THE FIRST REPORT

Insurance

19. The Receiver has arranged for renewal/extension of the insurance policies relating to the Properties which were scheduled to expire.

Tenants of the Properties

20. The lease for 170 Main St., 2nd floor, expired at the end of September, 2020. After requesting several one-month extensions from the Receiver, which the Receiver granted on the same terms as contained in the expired lease, the tenant vacated its unit on January 31, 2021. Given the pending Sale Process and uncertainty as to the intended use of the property by prospective purchasers, the Receiver did not market this unit for lease following its vacancy.
21. Additionally, the lease for the 1st floor of the 170 Main St. property was set to expire during the course of the receivership, on March 31, 2021. The 1st floor tenant, a long running tenant with an established business, sought to negotiate terms for the continued lease of its unit and advised that, without comfort as to the immediate future of its business operations at the location, it would have to consider other options. The Receiver sought advice from Colliers as to whether extending the lease with the tenant was likely to have a beneficial impact on value in the context of the Sale Process and concluded, on the basis of advice received, that it would be in the interest of stakeholders to extend the lease with the tenant on amended

terms. After negotiation between the Receiver and the tenant, the Receiver and the tenant executed a Lease Extension and Amending Agreement made as of March 30, 2021.

22. The Receiver has also agreed to defer collection of rent payments due from certain tenants of the Properties who had requested accommodations from the Receiver in light of the impact of the COVID-19 pandemic on their business. The Receiver's deferral of collection activities is a temporary indulgence only, and tenants remain liable for all amounts owed or outstanding under the terms of their lease. The Receiver has not waived any rights or remedies available to it in relation to such arrears, has not waived any rights to demand payment of such arrears, and has not forgiven any amounts owed by tenants.

Property Taxes

23. According to a Notice of Overdue Taxes dated April 5, 2021 received in respect of each of the Properties, the unpaid property taxes in respect of the Properties total \$296,915.20, as follows:

Address	Balance
160 Main St.	\$ 50,037.80
162 & 166 Main St.	50,811.62
170 Main St.	62,610.55
174 - 178 Main St.	57,473.19
186 Main St.	75,982.04
Total	\$ 296,915.20

24. The Receiver intends to address payment of the outstanding property taxes upon the closing of the sale of the Properties.

V. UNFILED SECOND SUPPLEMENTAL REPORT

25. The January 15 Endorsement set out that the KLM Documents should be provided to the Receiver.
26. Notwithstanding ongoing negotiations between counsel to Mr. Dave and the Receiver, as of February 17, 2021, the parties had not reached a resolution as to use by the Receiver of the KLM Documents.
27. As a result, the Receiver prepared its Second Supplemental Report to the First Report of the Receiver dated February 18, 2021 (the “**Second Supplemental Report**”), in connection with the Receiver’s motion scheduled to be heard on February 24, 2021 relating to the Receiver’s efforts to obtain certain documentation, including the KLM Documents, in relation to the Properties and the authorized uses of same. The Second Supplemental Report was not filed with the Court since, prior to the scheduled motion, the issue was resolved by agreement.

VI. MARKETING AND SALE PROCESS

28. On January 15, 2021, the Receiver signed the listing agreement with Colliers to market the Properties for sale.
29. Colliers’ marketing campaign consisted of two phases. The first phase, which commenced on January 18, 2021, consisted of efforts to raise awareness of the coming sale of the Properties amongst parties regarded by Colliers as likely to be interested as prospective purchasers.
30. The second phase of the marketing campaign consisted of intensified marketing efforts, including the establishment of a data room available to be accessed by

prospective purchasers who had signed confidentiality agreements, the listing of the Properties on MLS, conducting tours of the Properties, conducting on-going discussions with potential purchasers and making available template agreements of purchase and sale to prospective purchasers.

31. Two distinct groups of potential purchasers were targeted by Colliers in their marketing activities: those primarily interested in the development potential of the Properties, and those seeking to acquire income generating properties or properties for commercial use. With this in mind, the Properties were marketed on both on an individual basis and on a “land assembly” basis, the latter likely being of most interest to developers. Separate Multiple Listing Service Agreements listings for each category of purchaser were developed, one featuring the collection of Properties as an assembly, with others detailing the individual Properties.
32. Intensification of the marketing campaign commenced in early March, with the greatest concentration of activity, including viewings and tours of the Properties taking place over the final four weeks preceding the offer submission date.
33. Interested parties were notified that the offer submission date was scheduled for 3:00 p.m. on April 16, 2021. The Receiver provided Colliers with forms of agreement of purchase and sale for the ‘en bloc” and individual Properties, on which offers for the Properties were to be submitted. The forms of agreement of purchase and sale were included in the data room maintained by Colliers.
34. In order to provide interested parties with information to assist them in considering the Properties, the Receiver engaged Pottinger Gaherty Environmental Consultants Ltd. to prepare a Phase 1 environmental site assessment report and

a Phase 2 environmental site assessment report compliant to CSA Z768/01, both of which were posted to the Colliers data room upon their completion, on or about April 9, 2021 which Colliers indicated provided enough time for potential purchasers to review prior to the designated offer submission date.

35. A summary of the marketing activities undertaken by Colliers is set out below:

- a) the Properties were listed on the Toronto Real Estate Board MLS system on March 3, 2021;
- b) Email Awareness Campaigns were emailed out along with the Confidentiality Agreement on a targeted basis to over 4,000 prospective purchasers and developers on a weekly basis starting the week of March 3, 2021 ("**EA Campaign**");
- c) e-mails were sent to Colliers' list of co-operating real estate agents totalling approximately 560 contacts;
- d) an advertisement was placed on March 29, 2021 in the Insolvency Insider publication ("**Insolvency Insider Advertisement**");
- e) targeted solicitation calls were made to real estate developers and investors;
- f) the Properties were listed on Colliers' website and Realtor.ca;
- g) the MLS listings were updated on March 30, 2021 to include listing prices for the Properties; and
- h) an electronic data room was set up to provide access to confidential information pertaining to the Properties to parties who had executed the Confidentiality Agreement.

Copies of the EA Campaign and the Insolvency Insider Advertisement are attached collectively to this report as Appendix “F”.

36. Colliers informed the Receiver that the marketing campaign generated the following response:

- a) 390 unique website clicks to investigate the opportunity further;
- b) 675 data room views and downloads of varying components of information;
- and
- c) 6,453 EA Campaign views.

VII. ADDITIONAL DISCLOSURE

37. On April 7, 2021, the Receiver was notified that an odour consistent with a gas leak had been reported by members of a group touring the restaurant/Bistro property located at 162/166 Main St. Further investigations into the issue were arranged by the Property Manager, who advised the Receiver that during the investigation performed, two gas leaks had been identified. The Property Manager has advised the Receiver that the gas supply to the building has been turned off. No repairs or further investigations into the issue have been performed. As no similar issue had been previously reported by groups attending at the 162/166 Main St. property, the Receiver requested that Colliers send notice of the issue to all parties who had either signed a Confidentiality Agreement or toured the property, alerting them to the gas leak discovery and the fact that the Receiver did not intend to take any further steps to investigate or repair same and Colliers

executed upon the Receiver's request. A copy of the Notice sent respecting the Gas Leak is attached to this report as Appendix "G".

VIII. OFFERS RECEIVED

38. As set out above, interested parties were advised that the offer submission date for the Properties was April 16, 2021. The offers received before the offer deadline were variously configured, including offers to purchase the entire assembly of Properties on an "en bloc" basis, to purchase some of the Properties but not others, as well as stand-alone offers for individual properties. A summary prepared by Colliers of the offers received is attached to this report as Tab 2 to Confidential Appendix "H".
39. All offers were presented on the form of agreement of purchase and sale provided by the Receiver, as modified by the offeror. Offers received were considered and evaluated on their merits with a view to the selection of the offer, or combination of offers, most beneficial to the creditors of the Respondents. In evaluating the offers, the Receiver consulted with its advisors, including Colliers and its legal counsel. The Receiver disclosed details of the offers received and the Receiver's evaluation of same with First Source, the senior secured creditor of the Respondents and first mortgagee on each of the Properties.
40. Following negotiations relating to the terms of the offer, First Source communicated its concurrence with the Receiver's view that the offer received from Watford Development Inc., in trust for a company to be incorporated, and Ajay Mehra, Raffi Tokmakjian, Sylvia Tokmakjian, Hripsime (Helen) Tokmakjian and

Berardino D'Amato, in trust for one or more companies to be incorporated (collectively, the "**Purchaser**") as the offer most advantageous to the creditors and other interested parties.

41. On April 28, 2021, the Receiver communicated to counsel to the Purchaser the Receiver's acceptance of the Purchaser's offer and provided an executed copy of the agreement of purchase and sale (the "**APS**").
42. The Receiver recommends that this Honourable Court approve the Receiver entering into the APS with the Purchaser and authorize the Receiver to complete the transaction set out therein.

IX. AGREEMENT OF PURCHASE AND SALE

43. Salient terms of the APS and matters relating thereto include (all capitalized terms in this section not defined in the APS are as otherwise defined in the Second Report):
 - a) the purchased assets include the Properties;
 - b) the deposit to be provided under the APS has been received from the Purchaser;
 - c) the offer does not provide for a diligence period during which the offer remains conditional;
 - d) the conditions in favour of the Purchaser, have either been satisfied or are expected by the Receiver to have been satisfied prior to the return of this motion. In particular:

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- i) First Source and the Purchaser's counsel have advised that terms of agreement between the parties have been reached and that the condition set out at Section 16(d)(v) of the APS has been satisfied;
 - ii) Il Postino Ristorante Inc. and Joe Sala have confirmed in writing that any Rights of First Refusal held by them in respect of any sale of the 186 Main St. Property will not be exercised and are no longer available to be exercised by them in respect of the Purchaser's APS. The condition set out at Section 16(d)(iv) has therefore been satisfied; and
 - iii) the remaining conditions, other than those relating to Court approval, are capable of being satisfied without requiring the consent or cooperation of third parties;
- e) the APS is conditional on Court approval and the issuance of an order vesting title to the Purchased Assets in the Purchaser free and clear of claims and encumbrances, other than those specifically itemized in the APS;
- f) the Purchaser is buying the Properties on an "as is, where is" basis;
- g) the Purchaser is assuming all leases at the Properties; and
- h) closing of the sale provided for in the APS is scheduled to occur on the 10th Business Day following the date on which the Vesting Order is granted, or such other date as agreed between the Purchaser and the Receiver.

A copy of the APS is attached to this report as Tab 3 to Confidential Appendix “H”.

X. RIGHT OF FIRST REFUSAL IN FAVOUR OF TENANT OF 186 MAIN STREET

44. As addressed briefly above, Il Postino Ristorante Inc. (the “**Tenant**”) and Joe Sala, its principal, are parties to a Lease Amending Agreement dated July 2, 2019 which provides, in favour of Il Postino, the following: “The Tenant shall have right of first refusal to purchase the subject property that comprises the IL Postino Restaurant at 186 Main Street Unionville, ON L3R 2G9 (the Property) from the Landlord should the Landlord sell the property prior to the end of the Lease Term or an (sic) renewal thereof” (the “**ROFR**”).
45. During the Sale Process, Il Postino contacted the Receiver and communicated its intention to exercise the ROFR, as set out above, at the conclusion of the Sale Process. The Receiver expressed some concerns as to the enforceability of the provision in the Lease Amending Agreement relating to the ROFR, or whether the ROFR would be applicable to a sale by a Receiver, but advised the Tenant that if agreement could be reached establishing timelines and a process by which the ROFR would be exercised, the Receiver would share information in relation to the selected offer with the Tenant on a confidential basis, following which the Tenant would have 72 hours to submit an offer on the same or better terms, accompanied by a deposit, and the applicability and enforceability of the ROFR could be brought before the Court for a determination. The Tenant agreed to comply with the process and timelines proposed by the Receiver, which were established with a

view to facilitating an orderly process for determining the rights of the Tenant and minimizing the risk of disruption or delay to the Sale Process or any sale approval.

46. As agreed, upon the Receiver's selection of the Purchaser's offer, counsel for Il Postino and Mr. Sala was provided an agreement requiring these parties to keep confidential and not disclose any details or information concerning the APS. By the agreement, Il Postino and Mr. Sala furthermore acknowledged their agreement to comply with the process and timelines established with the Receiver for the exercise of the ROFR (if effective and applicable), failing which the ROFR would no longer be available in respect of the Purchaser's APS. Il Postino and Mr. Sala signed and returned the agreement.
47. Upon review of the APS, Il Postino and Mr. Sala confirmed that they would not exercise the ROFR and did not intend to submit any competing offer.

XI. APPROVAL OF SALE

48. The Receiver believes that the marketing process undertaken by the Receiver was appropriate for the type of properties in question, and provided sufficient market exposure to the Properties for the following reasons:
- a) notice of the sale of the Properties was electronically sent to more than 4,500 parties, not including those enquiring via MLS;
 - b) 59 parties executed a Confidentiality Agreement and were provided with access to Colliers' data room;
 - c) the Properties were listed for sale on MLS, both individually and as an "en bloc" group;

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- d) the Properties were listed on Colliers' website;
 - e) the Properties were exposed to the market for a period of approximately 13 weeks; and
 - f) First Source is supportive of the Receiver completing the APS.
49. The Receiver therefore recommends the approval of the APS by this Honourable Court.
50. The Receiver believes that details of the offers submitted for the Properties including matters relating thereto should be kept confidential until the closing of the sale of the Properties. The Receiver is of the view that these documents contain commercially sensitive information and that public disclosure thereof would have a negative impact on the Receiver's ability to market the Properties and maximize realizations should this become necessary in event that the transaction with the Purchaser not be approved or completed.
51. The Receiver therefore respectfully requests that (i) Confidential Appendix H, including Tabs 2 and 3 be sealed until after the closing of the sale of the Properties, or further Order of this Court, and (ii) Tab 1 to Confidential Appendix H be permanently sealed as it contains information relating to other parties.

XII. SECURED OR PRIORITY CLAIMS

52. The following is a list of the secured creditors having registrations against title to the Properties as shown on the parcel register for the Properties listed below ("**PIN**") as of October 27, 2020:

Real Property	Registered Charges
PIN: 02979-0301 (LT); LEGAL DESCRIPTION: PT LT 12 CON 5 MARKHAM, PTS 1, 2 & 3 65R20048 EXCEPT PTS 1, 2, 3, 4 & 5 65R23053, MARKHAM; S/T EASE OVER PT 7 65R23053 AS IN LT1547540	FIRST SOURCE FINANCIAL MANAGEMENT INC. as Instrument YR2957465 in the amount of \$16,285,256 VASILOVSKY, PAUL C, VASILOVSKY, THOMAS as Instrument YR2957467 in the amount of \$3,000,000
PIN: 02979-0172 (LT) LEGAL DESCRIPTION: PT LT 12 CON 5 MARKHAM PT 4, 65R20048; MARKHAM. S/T EASE AS IN LT1547540	FIRST SOURCE FINANCIAL MANAGEMENT INC. as Instrument YR2957465 in the amount of \$16,285,256 VASILOVSKY, PAUL C, VASILOVSKY, THOMAS as Instrument YR2957467 in the amount of \$3,000,000
PIN: 02979-0122 (LT) LEGAL DESCRIPTION: PT LT 12 CON 5 MARKHAM PT 1, 65R4965; T/W R646625; MARKHAM	FIRST SOURCE FINANCIAL MANAGEMENT INC. as Instrument YR2957465 in the amount of \$16,285,256 VASILOVSKY, PAUL C, VASILOVSKY, THOMAS as Instrument YR2957467 in the amount of \$3,000,000 VISTA CREDIT CORP. as Instrument YR3086022 in the amount of \$2,560
PIN: 02979-0123 (LT) LEGAL DESCRIPTION: PT LT 12 CON 5 MARKHAM AS IN R666021; T/W R666021; MARKHAM	FIRST SOURCE FINANCIAL MANAGEMENT INC. as Instrument YR2957465 in the amount of \$16,285,256
PIN: 02979-0124 (LT) PT LT 12 CON 5 MARKHAM PTS 1 & 2, 64R7629; S/T MA58258; CITY OF MARKHAM	THE BANK OF NOVA SCOTIA as Instrument YR2623311 in the amount of \$4,675,000 (the Bank of Nova Scotia has confirmed that it has been repaid and no funds, secured or unsecured, are owing, a copy of which correspondence is attached hereto as Appendix "I")

Real Property	Registered Charges
	FIRST SOURCE FINANCIAL MANAGEMENT INC. as Instrument YR2957465 in the amount of \$16,285,256
PIN: 02979-0126 (LT) LEGAL DESCRIPTION: PT LT 12 CON 5 MARKHAM AS IN R371141; S/T & T/W R371141; MARKHAM	FIRST SOURCE FINANCIAL MANAGEMENT INC. as Instrument YR2957465 in the amount of \$16,285,256

A copy of the Parcel Registers for the Properties are attached hereto as Appendix “J”.

53. The Receiver has received from First Source an Account Closing Statement (the “**First Source Statement**”). According to the First Source Statement, the amount owing by the Respondents to First Source and required to discharge the first mortgage will be, as of May 27, 2021, \$18,074,296.78, including the \$50,000 advance, plus interest on the advance for which Receiver Certificate No. 1 was issued. A copy of the First Source Statement is attached to this report as Appendix “K”.

54. The Receiver has received an opinion from Torkin Manes (“**Legal Opinion on First Source Security**”) that, subject to the qualifications set out in the opinion:

- a) the PPSA Security Documents (as defined in the Security Opinion) were validly registered pursuant to the PPSA and, subject to the qualifications set out in the Security Opinion, First Source holds a first-ranking security interest over personal property of the Debtors based on date of registration; and

b) the First Source Mortgage was validly registered against title to the Properties and, subject to the qualifications set out in the Security Opinion, ranks first in priority among registered encumbrances against title to the Properties, with the exception of a Charge registered as YR2623311 in favour of the Bank of Nova Scotia (“BNS”) as registered on title to PIN: 02979-0124 (LT), in respect of which BNS has confirmed that no amounts are owed to BNS.

A copy of the Legal Opinion on First Source Security is attached hereto, as Appendix “L”.

XIII. INTERIM DISTRIBUTION

55. The closing of the sale of the Properties is scheduled to take place on May 27, 2021.

56. Following the closing of the sale of the Properties, and receipt by the Receiver of the net sales proceeds therefrom, funds will be available for the Receiver to make an interim distribution. The Receiver proposes that, upon the closing of the sale of the Properties, and following the payment of the commission payable to Colliers and the payment of property taxes, the Receiver be authorized to additionally pay out, from the proceeds of sale and cash in the Receiver’s bank account, the following amounts:

a) to First Source the advances totaling \$50,000 under Receiver Certificate No. 1 plus interest (the “**Receiver Certificate Advance**”);

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- b) the amounts owing to the Receiver and Torkin Manes on account of their respective unpaid accounts (collectively, the “**Receiver’s Expenses**”); and
 - c) the Interim Distribution (as defined below) to First Source.
57. Following receipt of the net proceeds from the sale of the Properties, and following the payment of the amounts set out in Paragraph 56, the Receiver proposes to on or about May 27, 2021 pay to First Source an amount equal to the balance in the Receiver’s bank account, less a holdback of \$200,000 or such other amount as may be agreed to with First Source, to pay for expenses related to the Properties and the estimated fees of the Receiver and its counsel to complete the receivership administration (the “**Interim Distribution**”).
58. The Receiver therefore recommends and requests that this Court direct that the Receiver be authorized to:
- a) pay to First Source the Receiver Certificate Advance; and
 - b) make an interim distribution to First Source in an amount equal to the Interim Distribution.

XIV. RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

59. Attached to this report as Appendix “**M**” is the Interim R&D. As set out on the Interim R&D, as at April 30, 2021, total receipts, including the advance of \$50,000 pursuant to a Receiver’s Certificate, were \$346,010, while disbursements recorded were \$177,610 resulting in a net cash balance of \$168,400. This amount does not include the deposit provided to the Receiver in respect of the APS.

XV. PROFESSIONAL FEES

60. The Receiver's accounts total \$184,328.50 in fees plus HST of \$23,962.71 for a total amount of \$208,291.21 for the period July 15, 2020 to March 31, 2021 (the "**Receiver's Accounts**"). A copy of the Receiver's Accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Daniel Weisz sworn May 5, 2021 that is attached to this report as Appendix "**N**".
61. The accounts of the Receiver's counsel, Torkin Manes, total \$97,197.79 in fees and disbursements and \$12,551.53 in HST for a total of \$109,749.32 for the period October 22, 2020 to March 31, 2021 (the "**Torkin Manes Accounts**"). A copy of the Torkin Manes Accounts, together with a summary of the personnel, hours and hourly rates described in the Torkin Manes Accounts, supported by the Affidavit of J. Glen Eddie sworn May 6, 2021 is attached to this report as Appendix "**O**".

XVI. CONCLUSION

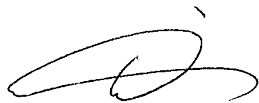
62. The Receiver respectfully requests that the Court make an Order:
- (i) authorizing and directing the Receiver to enter into and carry out the terms of the APS, together with such minor amendments thereto deemed necessary or expedient by the Receiver in its sole opinion, and vesting title to the Purchased Assets in the Purchaser or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the APS and the delivery of a Receiver's certificate to the Purchaser;

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- (ii) sealing Confidential Appendix H, including Tabs 2 and 3 until after the closing of the sale of the Properties, or further Order of this Court;
 - (iii) permanently sealing Tab 1 to Confidential Appendix H;
 - (iv) authorizing the Receiver to make the Interim Distribution;
 - (v) approving the First Report, the First Supplemental Report and the Receiver's conduct and activities set out therein;
 - (vi) approving the Second Report and the Receiver's conduct and activities set out herein;
 - (vii) approving the Interim R&D; and
 - (viii) approving the Receiver's Accounts and the Torkin Manes Accounts.

All of which is respectfully submitted to this Court as of this 6th day of May, 2021.

RSM CANADA LIMITED

In its capacity as Court-appointed Receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main St., Unionville, Ontario and not in its personal or corporate capacity



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

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
JUSTICE DUNPHY) WEDNESDAY, THE 12TH
DAY OF MAY, 2021

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION and
BLACKSMITH PARTNERS INC.

Respondents

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

APPROVAL AND VESTING ORDER

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed Receiver (the "**Receiver**") of all of the properties municipally known as 160, 162, 166, 170, 174-178 and 186 Main Street, Unionville, including all proceeds thereof (collectively, the "**Properties**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and WATFORD DEVELOPMENT INC. a company incorporated in accordance with the laws of the province of Ontario, in trust for a company to be incorporated, without liability and AJAY MEHRA, RAFFI

TOKMAKJIAN, SYLVIA TOKMAKJIAN, HRIPSIME (HELEN) TOKMAKJIAN and BERARDINO D'AMATO, in their respective personal capacities, in trust for one or more companies to be incorporated and without personal liability (collectively, the "**Purchaser Group**") dated April 15, 2021 and appended as a Confidential Appendix to the Second Report of the Receiver dated May 6, 2021 (the "**Report**") and, as requested by the Purchaser Group, vesting in 160-166 Main Street Limited (the "**Purchaser**") all right, title and interest of each of UNIONVILLE RE-DEV CORPORATION, UNIONVILLE RE-DEV PHASE 2 CORPORATION and/or BLACKSMITH PARTNERS INC. (collectively, the "**Debtors**") in and to the assets set out at Schedule "B" hereto (the "**Purchased Assets**"), was heard this day by zoom videoconference.

ON READING the Report and on hearing the submissions of counsel for the Receiver, counsel for the Purchaser Group, and counsel for the Applicant creditor,

1. THIS COURT ORDERS that the Receiver is hereby authorized and directed to carry out the Sale Agreement with the Purchaser Group for the sale of all of the right, title and interests of the Debtors, or any of them, in and to the Purchased Assets.

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

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser Group substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "B" hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Gilmore dated October 16, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of York Region (#65) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real Properties identified in Schedule B hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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

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

7. THIS COURT ORDERS that, notwithstanding:

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

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

federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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



S.F. DOWNEY

Schedule "A" - Form of Receiver's Certificate

Court File No. CV-20-00647644-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION and
BLACKSMITH PARTNERS INC.

Respondents

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

RECEIVER'S CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Honourable Justice Gilmore of the Ontario Superior Court of Justice (the "**Court**") dated October 16, 2020, effective as of October 27, 2020, RSM Canada Limited was appointed the receiver (the "**Receiver**") of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario, including all proceeds thereof (collectively, the "**Properties**").
- B. Pursuant to an Order of the Court dated May 12, 2021 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale made as of April 15, 2021 (the "**Sale Agreement**") between the Receiver and WATFORD DEVELOPMENT INC. a company incorporated in accordance with the laws of the province of Ontario, in trust for a company to be incorporated, without liability and AJAY MEHRA, RAFFI TOKMAKJIAN, SYLVIA TOKMAKJIAN, HRIPSIME (HELEN) TOKMAKJIAN and

BERARDINO D'AMATO, in their respective personal capacities, in trust for one or more companies to be incorporated and without personal liability (the "**Purchaser Group**") and provided for the vesting in 160-166 Main Street Limited (the "**Purchaser**") of the Receiver's and UNIONVILLE RE-DEV CORPORATION'S, UNIONVILLE RE-DEV PHASE 2 CORPORATION'S and/or BLACKSMITH PARTNERS INC.'S respective right, title and interest in and to the Purchased Assets, as defined in the Vesting Order, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser Group of a certificate confirming (i) the payment by the Purchaser Group of the full Purchase Price set out in the Sale Agreement; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser Group; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

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

RSM Canada Limited, solely in its capacity as Court-appointed receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario, and not in its personal or corporate capacity and without personal or corporate liability

Per:

Schedule "B" - Purchased Assets

All of the Receiver's (if any) and the Debtors' respective right, title and interest in and to the following real property and all Buildings (as defined in the Sale Agreement) located thereon:

- (a) PIN: 02979-0301 (LT)
MUNICIPAL ADDRESS: 160 Main Street, Unionville, Ontario
LEGAL DESCRIPTION: PT LT 12 CON 5 MARKHAM, PTS 1, 2 & 3 65R20048 EXCEPT PTS 1, 2, 3, 4 & 5 65R23053, MARKHAM; S/T EASE OVER PT 7 65R23053 AS IN LT1547540

- (b) PIN: 02979-0172 (LT)
MUNICIPAL ADDRESS: 160 Main Street, Unionville, Ontario
LEGAL DESCRIPTION: PT LT 12 CON 5 MARKHAM PT 4, 65R20048; MARKHAM. S/T EASE AS IN LT1547540

- (c) PIN: 02979-0122 (LT)
MUNICIPAL ADDRESS: 162 Main Street, Unionville & 166 Main Street, Unionville, Ontario
LEGAL DESCRIPTION: PT LT 12 CON 5 MARKHAM PT 1, 65R4965; T/W R646625; MARKHAM

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

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

1. Instrument No. YR2957465 registered May 6th, 2019 is a Charge in favour of First Source Financial Management Inc. (“First Source”) in the amount of \$16,285,256;
2. Instrument No. YR2957466 registered May 6, 2019 is a Notice of Assignment of Rents - General in favour of First Source in relation to the Charge registered as Instrument No. YR2957465;
3. Instrument No. YR2957467 registered May 6, 2019 is a Charge in favour of Paul Vasilovsky and Thomas Vasilovsky in the amount of \$3,000,000.00;
4. Instrument No. YR2980152 registered July 5, 2019 is a Notice in favour of Paul Vasilovsky and Thomas Vasilovsky in relation to the Charge registered as Instrument No. YR2957467;
5. Instrument No. YR3086022 registered April 2, 2020 is a Notice of Security Interest in favour of Vista Credit Corp. in the amount of \$2,560.00;
6. Instrument No. YR2623311 registered February 8, 2017 is a Charge in favour of the Bank of Nova Scotia in the amount of \$4,675,000.00; and
7. Instrument No. YR2623312 registered February 8 2017 is a Notice of Assignment of Rents – General in favour of the Bank of Nova Scotia in relation to the Charge registered as Instrument No. YR2623311.

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

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Properties (as defined in the Sale Agreement) means:

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

PIN 02979-0301 (LT)

- (i) Instrument No. R488826 registered November 15th, 1988 is a Notice re Airport Zoning Regulations;
- (ii) Instrument No. R728864 registered September 3, 1998 is a Deposit;
- (iii) Instrument No. R728865 registered September 3, 1998 is a Transfer of the Property from Ruth Ingram to Blacksmith Partners Inc. (“**Blacksmith**”);
- (iv) Instrument No. LT1547540 registered November 8, 2000 is a Transfer Easement from Blacksmith to the Corporation of the Town of Markham (the “**Town**”);
- (vi) Instrument No. YR95217 registered January 14, 2002 is a Notice of Agreement between the Town and Blacksmith;
- (vii) Instrument No. YR95239 registered January 14, 2002 is a Notice of Agreement between the Town and Blacksmith;
- (viii) Instrument No. YR687897 registered August 22, 2005 is a Notice from Her Majesty the Queen in Right of Canada as represented by the Minister of Transport; and
- (ix) Instrument No. YR789570 registered March 14th, 2006 is a By Law designating an area of the Town as a Heritage Conservation District.

PIN 02979-0172 (LT)

- (i) Instrument No. R488826 registered November 15th, 1988 is a Notice re Airport Zoning Regulations;
- (ii) Instrument No. R728865 registered September 3, 1998 is a Transfer of the Property from Ruth Ingram to Blacksmith;
- (iii) Instrument No. LT1547540 registered November 8, 2000 is a Transfer Easement from Blacksmith to the Town;
- (iv) Instrument No. YR687897 registered August 22, 2005 is a Notice from Her Majesty the Queen in Right of Canada as represented by the Minister of Transport; and
- (v) Instrument No. YR789570 registered March 14th, 2006 is a By Law designating an area of the Town as a Heritage Conservation District.

PIN 02979-0122 (LT)

- (i) Instrument No. R488826 registered November 15th, 1988 is a Notice re Airport Zoning Regulations;
- (ii) Instrument No. R646625 registered September 8, 1994 is a Transfer of the Property to Blacksmith;
- (iii) Instrument No. R653717 registered January 20, 1995 is an Agreement;

- (iv) Instrument No. R661654 registered July 12, 1995 is an Encroachment Agreement with the Town;
- (v) Instrument No. R661655 registered July 12, 1995 is a Site Plan Agreement with the Town;
- (vi) Instrument No. R662940 registered August 3, 1995 is an Agreement with the Town;
- (vii) Instrument No. YR687893 registered August 22, 2005 is a Notice from Her Majesty the Queen in Right of Canada as represented by the Minister of Transport; and
- (viii) Instrument No. YR789570 registered March 14th. 2006 is a By Law designating an area of the Town as a Heritage Conservation District.

FIRST SOURCE FINANCIAL MANAGEMENT INC.
Applicant

-and-

UNIONVILLE RE-DEV CORPORATION et al.
Respondents

Court File No. CV-20-00647644-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

APPROVAL AND VESTING ORDER

TORKIN MANES LLP

Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)

sthom@torkinmanes.com

Tel: 416-777-5197

Fax: 1-877-689-3872

Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (May 1, 2016)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
JUSTICE DUNPHY) WEDNESDAY, THE 12TH
DAY OF MAY, 2021

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION and
BLACKSMITH PARTNERS INC.

Respondents

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

APPROVAL AND VESTING ORDER

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed Receiver (the "**Receiver**") of all of the properties municipally known as 160, 162, 166, 170, 174-178 and 186 Main Street, Unionville, including all proceeds thereof (collectively, the "**Properties**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and WATFORD DEVELOPMENT INC. a company incorporated in accordance with the laws of the province of Ontario, in trust for a company to be incorporated, without liability and AJAY MEHRA, RAFFI

TOKMAKJIAN, SYLVIA TOKMAKJIAN, HRIPSIME (HELEN) TOKMAKJIAN and BERARDINO D'AMATO, in their respective personal capacities, in trust for one or more companies to be incorporated and without personal liability (collectively, the "**Purchaser Group**") dated April 15, 2021 and appended as a Confidential Appendix to the Second Report of the Receiver dated May 6, 2021 (the "**Report**") and, as requested by the Purchaser Group, vesting in 170 Main Street Limited (the "**Purchaser**") all right, title and interest of each of UNIONVILLE RE-DEV CORPORATION, UNIONVILLE RE-DEV PHASE 2 CORPORATION and/or BLACKSMITH PARTNERS INC. (collectively, the "**Debtors**") in and to the assets set out at Schedule "B" hereto (the "**Purchased Assets**"), was heard this day by zoom videoconference.

ON READING the Report and on hearing the submissions of counsel for the Receiver, counsel for the Purchaser Group, and counsel for the Applicant creditor,

1. THIS COURT ORDERS that the Receiver is hereby authorized and directed to carry out the Sale Agreement with the Purchaser Group for the sale of all of the right, title and interests of the Debtors, or any of them, in and to the Purchased Assets.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser Group substantially in the form attached as Schedule "A" hereto (the

“**Receiver’s Certificate**”), all of the Debtors’ right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule “B” hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Gilmore dated October 16, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of York Region (#65) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real Properties identified in Schedule B hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead

of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the completion of the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

7. THIS COURT ORDERS that, notwithstanding:

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

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

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



S.F. DUNPHY J.

Schedule "A" - Form of Receiver's Certificate

Court File No. CV-20-00647644-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION and
BLACKSMITH PARTNERS INC.

Respondents

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

RECEIVER'S CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Honourable Justice Gilmore of the Ontario Superior Court of Justice (the "**Court**") dated October 16, 2020, effective as of October 27, 2020, RSM Canada Limited was appointed the receiver (the "**Receiver**") of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario, including all proceeds thereof (collectively, the "**Properties**").
- B. Pursuant to an Order of the Court dated May 12, 2021 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale made as of April 15, 2021 (the "**Sale Agreement**") between the Receiver and WATFORD DEVELOPMENT INC. a company incorporated in accordance with the laws of the province of Ontario, in trust for a company to be incorporated, without liability and AJAY MEHRA, RAFFI TOKMAKJIAN, SYLVIA TOKMAKJIAN, HRIPSIME (HELEN) TOKMAKJIAN and

BERARDINO D'AMATO, in their respective personal capacities, in trust for one or more companies to be incorporated and without personal liability (the "**Purchaser Group**") and provided for the vesting in 170 Main Street Limited (the "**Purchaser**") of the Receiver's and UNIONVILLE RE-DEV CORPORATION'S, UNIONVILLE RE-DEV PHASE 2 CORPORATION'S and/or BLACKSMITH PARTNERS INC.'S respective right, title and interest in and to the Purchased Assets, as defined in the Vesting Order, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser Group of a certificate confirming (i) the payment by the Purchaser Group of the full Purchase Price set out in the Sale Agreement; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser Group; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

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

RSM Canada Limited, solely in its capacity as Court-appointed receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario, and not in its personal or corporate capacity and without personal or corporate liability

Per:

Schedule "B" - Purchased Assets

All of the Receiver's (if any) and the Debtors' respective right, title and interest in and to the following real property and all Buildings (as defined in the Sale Agreement) located thereon:

- (a) PIN: 02979-0123 (LT)
MUNICIPAL ADDRESS: 170 Main Street, Unionville, Ontario
LEGAL DESCRIPTION: PT LT 12 CON 5 MARKHAM AS IN R666021;
T/W R666021; MARKHAM

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

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

1. Instrument No. YR2957465 registered May 6th, 2019 is a Charge in favour of First Source Financial Management Inc. (“First Source”) in the amount of \$16,285,256;
2. Instrument No. YR2957466 registered May 6, 2019 is a Notice of Assignment of Rents - General in favour of First Source in relation to the Charge registered as Instrument No. YR2957465;

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

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Properties (as defined in the Sale Agreement) means:

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

PIN 02979-0123 (LT)

- (i) Instrument No. R488826 registered November 15th, 1988 is a Notice re Airport Zoning Regulations;
- (ii) Instrument No. YR279461 registered March 19, 2003 is a Notice re Site Plan Agreement between the Town and Davina Financial Services Inc.;
- (iii) Instrument No. YR687893 registered August 22, 2005 is a Notice from Her Majesty the Queen in Right of Canada as represented by the Minister of Transport;
- (iv) Instrument No. YR789570 registered March 14th, 2006 is a By Law designating an area of the Town as a Heritage Conservation District;
- (v) Instrument No. YR1425463 is a Notice of an Agreement between the Town and 1777507 Ontario Limited (“1777507”); and
- (vi) Instrument No. YR2836046 registered June 8, 2018 is a Transfer of Property from 1777507 to Unionville Re-Dev Phase 2 Corporation.

FIRST SOURCE FINANCIAL MANAGEMENT INC.
Applicant

-and-

UNIONVILLE RE-DEV CORPORATION et al.
Respondents

Court File No. CV-20-00647644-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

APPROVAL AND VESTING ORDER

TORKIN MANES LLP
Barristers & Solicitors
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Toronto ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (May 1, 2016)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEDNESDAY, THE 12TH
)
JUSTICE DUNPHY) DAY OF MAY, 2021

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION and
BLACKSMITH PARTNERS INC.

Respondents

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

APPROVAL AND VESTING ORDER

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed Receiver (the "**Receiver**") of all of the properties municipally known as 160, 162, 166, 170, 174-178 and 186 Main Street, Unionville, including all proceeds thereof (collectively, the "**Properties**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and WATFORD DEVELOPMENT INC. a company incorporated in accordance with the laws of the province of Ontario, in trust for a company to be incorporated, without liability and AJAY MEHRA, RAFFI

TOKMAKJIAN, SYLVIA TOKMAKJIAN, HRIPSIME (HELEN) TOKMAKJIAN and BERARDINO D'AMATO, in their respective personal capacities, in trust for one or more companies to be incorporated and without personal liability (collectively, the "**Purchaser Group**") dated April 15, 2021 and appended as a Confidential Appendix to the Second Report of the Receiver dated May 6, 2021 (the "**Report**") and, as requested by the Purchaser Group, vesting in 174-178 Main Street Limited (the "**Purchaser**") all right, title and interest of each of UNIONVILLE RE-DEV CORPORATION, UNIONVILLE RE-DEV PHASE 2 CORPORATION and/or BLACKSMITH PARTNERS INC. (collectively, the "**Debtors**") in and to the assets set out at Schedule "B" hereto (the "**Purchased Assets**"), was heard this day by zoom videoconference.

ON READING the Report and on hearing the submissions of counsel for the Receiver, counsel for the Purchaser Group, and counsel for the Applicant creditor,

1. THIS COURT ORDERS that the Receiver is hereby authorized and directed to carry out the Sale Agreement with the Purchaser Group for the sale of all of the right, title and interests of the Debtors, or any of them, in and to the Purchased Assets.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser Group substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "B" hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Gilmore dated October 16, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of York Region (#65) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real Properties identified in Schedule B hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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

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

7. THIS COURT ORDERS that, notwithstanding:

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

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

federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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


S.F. DUNPHY J.

Schedule "A" - Form of Receiver's Certificate

Court File No. CV-20-00647644-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION and
BLACKSMITH PARTNERS INC.

Respondents

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

RECEIVER'S CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Honourable Justice Gilmore of the Ontario Superior Court of Justice (the "**Court**") dated October 16, 2020, effective as of October 27, 2020, RSM Canada Limited was appointed the receiver (the "**Receiver**") of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario, including all proceeds thereof (collectively, the "**Properties**").
- B. Pursuant to an Order of the Court dated May 12, 2021 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale made as of April 15, 2021 (the "**Sale Agreement**") between the Receiver and WATFORD DEVELOPMENT INC. a company incorporated in accordance with the laws of the province of Ontario, in trust for a company to be incorporated, without liability and AJAY MEHRA, RAFFI TOKMAKJIAN, SYLVIA TOKMAKJIAN, HRIPSIME (HELEN) TOKMAKJIAN and

BERARDINO D'AMATO, in their respective personal capacities, in trust for one or more companies to be incorporated and without personal liability (the "**Purchaser Group**") and provided for the vesting in 174-178 Main Street Limited (the "**Purchaser**") of the Receiver's and UNIONVILLE RE-DEV CORPORATION'S, UNIONVILLE RE-DEV PHASE 2 CORPORATION'S and/or BLACKSMITH PARTNERS INC.'S respective right, title and interest in and to the Purchased Assets, as defined in the Vesting Order, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser Group of a certificate confirming (i) the payment by the Purchaser Group of the full Purchase Price set out in the Sale Agreement; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser Group; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

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

RSM Canada Limited, solely in its capacity as Court-appointed receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario, and not in its personal or corporate capacity and without personal or corporate liability

Per:

Schedule "B" - Purchased Assets

All of the Receiver's (if any) and the Debtors' respective right, title and interest in and to the following real property and all Buildings (as defined in the Sale Agreement) located thereon:

- (a) PIN: 02979-0124 (LT)
MUNICIPAL ADDRESS: 174-178 Main Street, Unionville, Ontario
LEGAL DESCRIPTION: PT LT 12 CON 5 MARKHAM PTS 1 & 2, 64R7629;
S/T MA58258; CITY OF MARKHAM

- (b) PIN: 02979-0126 (LT)
MUNICIPAL ADDRESS: 186 Main Street, Unionville, Ontario
LEGAL DESCRIPTION: PT LT 12 CON 5 MARKHAM AS IN R371141; S/T
& T/W R371141; MARKHAM

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

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

1. Instrument No. YR2957465 registered May 6th, 2019 is a Charge in favour of First Source Financial Management Inc. (“First Source”) in the amount of \$16,285,256;
2. Instrument No. YR2957466 registered May 6, 2019 is a Notice of Assignment of Rents - General in favour of First Source in relation to the Charge registered as Instrument No. YR2957465;

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

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Properties (as defined in the Sale Agreement) means:

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

PIN 02979-0124 (LT)

- (i) Instrument No. MA109118 registered January 29, 1980 is an Agreement with the Town;
- (ii) Instrument No. R488826 registered November 15th, 1988 is a Notice re Airport Zoning Regulations;
- (iii) Instrument No. R529314 registered December 11, 1989 is a Site Plan Control Agreement with the Town;
- (iv) Instrument No. YR687893 registered August 22, 2005 is a Notice from Her Majesty the Queen in Right of Canada as represented by the Minister of Transport;
- (v) Instrument No. YR789570 registered March 14th, 2006 is a By Law designating an area of the Town as a Heritage Conservation District; and
- (vi) Instrument No. YR2623310 registered February 8, 2017 is a Transfer of Property from Business Point Inc. to Unionville Re-Dev Corporation.

PIN 02979-0126 (LT)

- (i) Instrument No. R384879 registered November 28, 1985 is a Site Plan Control Agreement with the Town;
- (ii) Instrument No. R488826 registered November 15th, 1988 is a Notice re Airport Zoning Regulations;
- (iii) Instrument No. R720692 registered April 29, 1998 is an Agreement amending Instrument No. R384879 between Mariani's Custom Clothier Ltd. and the Town;
- (iv) Instrument No. YR687893 registered August 22, 2005 is a Notice from Her Majesty the Queen in Right of Canada as represented by the Minister of Transport;
- (v) Instrument No. YR789570 registered March 14th, 2006 is a By Law designating an area of the Town as a Heritage Conservation District; and
- (vi) Instrument No. YR2957464 registered May 6, 2019 is a Transfer of the Property from Mariani's of Unionville Inc. to Unionville Re-Dev Corporation.

FIRST SOURCE FINANCIAL MANAGEMENT INC.
Applicant

-and-

UNIONVILLE RE-DEV CORPORATION et al.
Respondents

Court File No. CV-20-00647644-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

APPROVAL AND VESTING ORDER

TORKIN MANES LLP

Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)

sthom@torkinmanes.com

Tel: 416-777-5197

Fax: 1-877-689-3872

Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (May 1, 2016)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) TUESDAY, THE 18TH
)
JUSTICE DUNPHY) DAY OF MAY, 2021

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION and
BLACKSMITH PARTNERS INC.

Respondents

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
(Administrative Relief)**

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed Receiver (the "**Receiver**") of all of the properties municipally known as 160, 162, 166, 170, 174-178 and 186 Main Street, Unionville, including all proceeds thereof (collectively, the "**Properties**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and WATFORD DEVELOPMENT INC. a company incorporated in accordance with the laws of the province of Ontario, in trust for a company to be incorporated, without liability and AJAY MEHRA, RAFFI TOKMAKJIAN, SYLVIA TOKMAKJIAN, HRIPSIME (HELEN) TOKMAKJIAN and

BERARDINO D'AMATO, in their respective personal capacities, in trust for one or more companies to be incorporated and without personal liability (collectively, the "**Purchaser Group**"), was heard this day by zoom videoconference..

ON READING the First Report of the Receiver dated December 22, 2020 (the "**First Report**"), the Supplemental Report to the First Report of the Receiver dated January 28, 2021 (the "**First Supplemental Report**"), the Second Report of the Receiver dated May 6, 2021 (the "**Second Report**" and, together with the First Report and First Supplemental Report, the "**Reports**"), and on hearing the submissions of counsel for the Receiver and counsel for the Purchaser Group,

1. **THIS COURT ORDERS** that the Receiver's Interim R&D (as defined in the Second Report) is approved.
2. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel as set out in the fee affidavits of Daniel Weisz and J. Glen Eddie appended to the Second Report, are approved.
3. **THIS COURT ORDERS** that upon the completion of the sale of the Properties, the Receiver is authorized and directed to proceed to make the Interim Distribution, as defined and set out in the Second Report.

A handwritten signature in black ink, appearing to read "Ber D'Amato", is written over a horizontal line. The signature is stylized and cursive.

FIRST SOURCE FINANCIAL MANAGEMENT INC.
Applicant

-and- UNIONVILLE RE-DEV CORPORATION et al.
Respondents

Court File No. CV-20-00647644-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

TORKIN MANES LLP

Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)

sthom@torkinmanes.com

Tel: 416-777-5197

Fax: 1-877-689-3872

Lawyers for the Receiver, RSM Canada Limited

H

Court File Number: CU-20-00647644-00CL

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

First Source Financial

Plaintiff(s)

AND

Unionville Re-Dev Corporation

Defendant(s)

Case Management Yes No by Judge: _____

Counsel	Telephone No:	Facsimile No:
<u>J. Larry - First Source</u>		
<u>R. MacDougall - Colliers</u>		
<u>S. Thom - Receiver</u>		

- Order Direction for Registrar (No formal order need be taken out)
 Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

- Adjourned to: _____
 Time Table approved (as follows): _____

A dispute has arisen between First Source and Colliers on the commission owing for the sale of Unionville's properties in the Receivership. Given the amount involved and the projected time to resolve, the parties agree it is not appropriate for the Commercial list. The parties have agreed to consider arbitration and, if appropriate, to enter into an arbitration agreement and return for a further 9:30 appt. for approval within the Receivership.

July 6, 2021
Date

[Signature]
Judge's Signature

Additional Pages _____

I

RSM Canada Limited
Court-Appointed Receiver of 160, 162, 166, 170, 174 - 178,
and 186 Main St., Unionville, Ontario
Interim Statement of Receipts and Disbursements
for the period October 27, 2020 to September 15, 2021

Receipts

Sale of Property	\$	14,011,908
Rental Income		322,076
Advance from Secured Creditor (Note 1)		50,000
HST Collected		41,870
HST Refund		648
Total Receipts	\$	<u>14,426,502</u>

Disbursements

Commission	\$	211,600
HST Remitted		10,239
Insurance		84,474
Landscaping & Snow Removal		16,005
Miscellaneous		1,193
Property Management Fees		15,931
Repairs & Maintenance		78,941
Security & Taking Possession		2,926
Utilities - Gas		9,218
Utilities - Hydro		21,633
Utilities - Water		1,793
Legal Fees & Disbursements		87,478
Receiver's Fees		165,896
PST Paid		5,666
HST Paid		79,756
Total Disbursements	\$	<u>792,747</u>

Excess of receipts over disbursements \$ 13,633,755

Less: Payments to Secured Creditor:

First Source Financial Management Inc. (Note 2) (13,243,000)

Net Funds on Hand \$ 390,755

Notes:

1. This amount represents an advance from First Source Financial Management Inc. secured by Receiver Certificate No. 1.
2. This amount includes the repayment of the amount advanced and secured by Receiver Certificate No. 1, plus interest thereon.

This Appendix forms part of the Third Report of the Receiver dated September 21, 2021, and should only be read in conjunction therewith.

J

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

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

**UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION, and
BLACKSMITH PARTNERS INC.**

Respondents

**AFFIDAVIT OF DANIEL WEISZ
(Sworn September 20, 2021)**

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

1. I am a Senior Vice-President of RSM Canada Limited ("**RSM**") and as such I have personal knowledge of the matters to which I hereinafter depose, save and except those matters based upon information and belief, in which case I have stated the source of such facts, all of which I verily believe to be true.
2. Pursuant to an application made by First Source Financial Management Inc., by Order of the Ontario Superior Court of Justice dated October 16, 2020, with effect from

October 27, 2020, as amended from time to time, RSM was appointed as receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario owned by the Respondents.

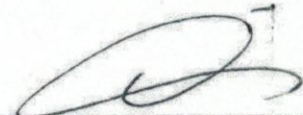
3. Attached hereto and marked as **Exhibit "A"** to this my affidavit are copies of invoices issued by RSM for fees and disbursements incurred by RSM in respect of the receivership proceedings from April 1, 2021 to August 31, 2021 (the "**Period**"). The total fees charged for the Period are \$72,301.50, plus HST of \$9,399.22 for a total of \$81,700.72. The average hourly rate charged during the Period was \$467.06.

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


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

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

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

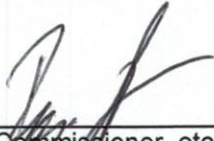


DANIEL WEISZ



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

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN REMOTELY
BEFORE ME THIS 20th DAY OF SEPTEMBER, 2021**



A Commissioner, etc.
Bryan Alan Fannenbaum,
a Commissioner, etc., Province of Ontario, for
RSM Canada LLP and RSM Canada Limited.
Expires February 4, 2024.



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
160, 162, 166, 170, 174-178, and 186 Main Street
Unionville, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date June 15, 2021

Client File 7835095/10013

Invoice 5

No. 6371903

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, ON, (collectively referred to hereafter as the "**Properties**") for the period April 1, 2021 to April 30, 2021.

Date	Professional	Description
4/1/2021	Daniel Weisz	Discussion with S. Thom of Torkin Manes LLP ("Torkin Manes") re the sale process; exchange emails with T. Teng of Colliers re the MLS listings; discussion with A. D'Angelo of Torkin Manes re the form of Agreement of Purchase and Sale ("APS"); review draft sections and provide comments to A. D'Angelo; review changes to the APS and email to A. D'Angelo re same.
4/4/2021	Daniel Weisz	Process electronic receipts.
4/5/2021	Echa Odeh	Prepare receipt processing forms for rent received.
4/5/2021	Daniel Weisz	Review email from S. Keyzer of Colliers re form of APS and respond thereto; discussion with D. Williams of Colliers re the Confidential Information Memorandum ("CIM"); discussion with A. D'Angelo re the form of APS and discussion with J. Berger re same.
4/6/2021	Daniel Weisz	Review email from J. Larry of Paliare Roland Rosenberg Rothstein LLP and reply thereto; review email from J. Potasky; discussion with S. Thom.
4/7/2021	Anne Baptiste	Post receipts.
4/7/2021	Daniel Weisz	Prepare for and attend call with I. Gragtmans, T. Bristow, S. Keyzer and D. Williams to discuss the status of the marketing process; review status of environmental test reports and email to Colliers re same; discussion with S. Thom re revised APS; review updated APS and email to A. D'Anthony regarding same; review updated versions; discussion with A. D'Anthony; exchange emails with S. Keyzer re status of the APS; review email from PGL Environmental Consultants ("PGL") and discussion with J. Berger re same; exchange emails with S. Keyzer.
4/8/2021	Anne Baptiste	Post disbursement.

Date	Professional	Description
4/8/2021	Daniel Weisz	Review email re status of environmental report; exchange emails with T. Teng.
4/8/2021	Anne Baptiste	Prepare bank reconciliation.
4/9/2021	Jeff Berger	Conference call with Colliers and D. Weisz to discuss the marketing process; call with S. Thom and D. Weisz re same.
4/9/2021	Daniel Weisz	Process electronic payments; prepare for and attend conference call with I. Gragtmans, T. Bristow, S. Keyzer, D. Williams, S. Thom and J. Berger to discuss the status of the marketing process, subsequent discussion with S. Thom and subsequent discussion with J. Berger; review summary of activities; review draft emails to J. Potasky and counsel to 186 Main Street; provide comments re preliminary review of Phase 1 Environmental Site Assessment ("ESA") report.
4/9/2021	Daniel Weisz	Review Colliers marketing update; process electronic payments.
4/9/2021	Anne Baptiste	Post disbursement.
4/9/2021	Echa Odeh	Prepare receipt processing forms for rent payments; email to insurer to obtain invoices; prepare cheque requisition for insurance payments.
4/12/2021	Daniel Weisz	Review emails from Colliers re Phase 1 ESA; discussion with J. Berger re same and send email to Colliers; read Phase I and Phase II ESAs; discussion with S. Thom; discussion with J. Larry re status of the sales process; discussion with S. Thom re his discussion with I. Steinberg; discussion with J. Berger re his discussion with the 186 Main Street tenant and a potential gas leak at one of the Properties.
4/12/2021	Jeff Berger	Review Colliers' comments on the Phase 1 ESA; receive notice of a potential gas leak identified by a party touring the Properties and discuss same with S. Thom and D. Weisz; call from tenant re potential exercise of Right of First Refusal ("ROFR") option under lease.
4/12/2021	Anne Baptiste	Post disbursements.
4/12/2021	Anne Baptiste	Process disbursements.
4/13/2021	Anne Baptiste	Post receipts.
4/13/2021	Daniel Weisz	Discussion with S. Thom re ROFR re 186 Main Street and subsequent discussion with J. Berger; review draft email to counsel for 186 Main Street tenant and exchange emails with S. Thom re same.
4/14/2021	Daniel Weisz	Discussion with S. Thom re his discussion with I. Steinberg; discussion with S. Keyzer on same; conference call with J. Larry and S. Thom re the Receiver's sale process; exchange emails with S. Keyzer.
4/15/2021	Daniel Weisz	Email to Colliers; prepare for and attend conference call with J. Berger, S. Thom and D. Williams; discussion with S. Thom re email from I. Steinberg; subsequent conference call with S. Thom, J. Berger and S. Keyzer; exchange emails with L. Zaidener of First Source Financial Management Inc. ("First Source") re amount owing to First Source.
4/15/2021	Jeff Berger	Attend conference call with Colliers.
4/16/2021	Jeff Berger	Review of offer summary and discussion with D. Weisz re same.
4/16/2021	Daniel Weisz	Review and exchange emails with S. Thom re deposit to be provided; discussion with J. Berger re banking information required; exchange

Date	Professional	Description
		emails with M. Citak re deposit; review offer received; discussion with S. Walters of First Source; attend conference call with I. Gragtmans; D. Williams, S. Keyzer, S. Thom and J. Berger re offers received; subsequent discussions with S. Thom and J. Berger; discussion with J. Larry; review email from H. Dave and email to Colliers re same.
4/17/2021	Daniel Weisz	Review emails; discussion with J. Larry; review email from H. Dave and draft response thereto; exchange emails with S. Thom.
4/18/2021	Jeff Berger	Draft Receiver's Second Report.
4/19/2021	Daniel Weisz	Conference call with J. Berger and S. Thom re status of the marketing process; finalize and send email to H. Dave; discussion with S. Keyzer; review email from L. Zaidener and respond thereto; discussion with J. Larry; review email from S. Walters and respond thereto; discussion with D. Williams re enquiry from H. Dave's agent and status of the marketing process; email to Colliers re status; review email from B. Polisuk and email same to S. Thom; discussion with S. Thom; exchange emails with J. Larry.
4/20/2021	Daniel Weisz	Review offers received and email to I. Gragtmans re summary schedule update required; review updated schedule; process electronic payment; prepare for and attend conference call with D. Mandel, L. Zaidener, J. Larry, S. Thom and J. Berger to discuss status of offers; email to J. Larry re same; prepare for and attend call with B. Hughes, S. Cosmin and J. Berger to discuss status; review schedule of estimated funds to be available and update.
4/20/2021	Daniel Weisz	Review emails from Colliers and respond thereto; email to First Source.
4/20/2021	Echa Odeh	Prepare cheque requisition; prepare summary of property taxes and email to J. Berger.
4/20/2021	Anne Baptiste	Post disbursement.
4/21/2021	Daniel Weisz	Review and exchange emails with J. Larry; review emails from Colliers; review email from L. Zaidener and respond thereto; review and discussion with J. Berger re finalization of schedule requested; discussion with S. Thom; email to L. Zaidener re schedule; review email from B. Polisuk and discussion with S. Thom regarding same.
4/21/2021	Echa Odeh	Prepare summary of expenses.
4/21/2021	Jeff Berger	Prepare schedule of estimated distribution; discuss same with D. Weisz; arrange for extension of insurance.
4/22/2021	Daniel Weisz	Review email from S. Keyzer and email to First Source in respect of same; discussion with S. Thom; review email from B. Hughes and respond thereto.
4/22/2021	Echa Odeh	Prepare cheque requisition.
4/23/2021	Daniel Weisz	Review amended offer received and email to Gardiner Roberts LLP re same; discussions with S. Thom and J. Berger re amended offer; email to Colliers re same and review response; email to First Source regarding amended offer received; review and sign letter re opening of HST accounts re the receivership administration; work on report to court;

Date	Professional	Description
		discussion with S. Thom re report; review emails re tenant position re right of first refusal.
4/23/2021	Echa Odeh	Email with D. Weisz regarding HST accounts; finalize letter to Canada Revenue Agency; prepare cheque requisition.
4/27/2021	Daniel Weisz	Discussion with S. Thom re First Source position re APS; review and execute APS and email to S. Thom regarding same; discussion with S. Thom re the status of the Receiver's report to court; email to Colliers re status of the sales process and review responses received; process electronic payments.
4/27/2021	Echa Odeh	Prepare cheque requisition; provide reconciliation of Hydro charges to J. Berger.
4/28/2021	Daniel Weisz	Discussion with J. Berger re the draft report; exchange emails and review emails regarding communication with purchaser counsel; discussion with S. Thom re APS; review email from L. Zaidener re request and respond thereto; discussion with J. Berger re lender update; work on report to court; draft confidential appendix; exchange emails with S. Thom; discussion with J. Larry re status.
4/28/2021	Jeff Berger	Review and update the Receiver's Second Report; draft lender update and discuss same with D. Weisz.
4/28/2021	Anne Baptiste	Post disbursements.
4/29/2021	Anne Baptiste	Post receipt.
4/29/2021	Daniel Weisz	Emails to S. Thom re closing of transaction; review confidentiality agreement sent to tenant; review email re revised court date for application for court approval; discussion with S. Thom; review and update report to court including the confidential appendix and forward same to S. Thom; review and update lender update and emails to L. Zaidener re same; update affidavit of fees.
4/30/2021	Echa Odeh	Prepare cheque requisition for payment to Enbridge.
4/30/2021	Daniel Weisz	Email to Colliers re status of court approval of transaction; email to S. Thom re status of deposit; discussion with S. Thom; review confirmation received and check bank account; email to First Source re status of deposit.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	39.0	\$ 595	\$ 23,205.00
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Senior Manager	13.5	\$ 425	5,737.50
Echa Odeh	Senior Associate	3.6	\$ 225	810.00
Anne Baptiste	Estate Administrator	2.4	\$ 110	264.00
Total hours and professional fees		<u>58.5</u>		\$ 30,016.50
HST @ 13%				3,902.15
Total payable				\$ 33,918.65

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
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www.rsmcanada.com

To RSM Canada Limited
Court-appointed Receiver of
160, 162, 166, 170, 174-178, and 186 Main Street,
Unionville, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date June 30, 2021

Client File 7835095/10013

Invoice 6

No. 6387268

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, ON, (collectively referred to hereafter as the "**Properties**") for the period May 1, 2021 to May 31, 2021.

Date	Professional	Description
5/3/2021	Daniel Weisz	Review email from B. Polisuk of Friedmans and exchange emails with S. Thom of Torkin Manes LLP re same; review emails re PINS included in the Agreement of Purchase and Sale ("APS"); review draft authorization letter and emails to N. Ning of Friedmans re same.
5/3/2021	Jeff Berger	Arrange for collection of May rent from tenants.
5/3/2021	Echa Odeh	Email tenants to follow up on rent; prepare cheque requisition for payment to Enbridge.
5/4/2021	Daniel Weisz	Review emails; discussions with S. Thom re status of transaction and the Receiver's report to court.
5/4/2021	Echa Odeh	Prepare the report pursuant to Section 246(2) of the Bankruptcy and Insolvency Act (the "Section 246(2) Report") and interim statement of receipts and disbursements ("SRD").
5/5/2021	Daniel Weisz	Review and update report to court based on S. Thom comments; email to Colliers re draft report; discussion with S. Thom; review and finalize fee affidavit; review Colliers' comments on the draft report and discussion with S. Keyzer of Colliers re same; review First Source Financial Management Inc.'s ("First Source") mortgage payout statement; update report.
5/5/2021	Jeff Berger	Review the Receiver's second report and provide comments on same; discuss report with D. Weisz; review and edit the Section 246(2) Report and provide comments on same to E. Odeh and D. Weisz.
5/6/2021	Daniel Weisz	Update report and finalize; discussion with S. Thom; discussion with J. Larry of Paliare Roland Rosenberg Rothstein LLP.

Date	Professional	Description
5/6/2021	Jeff Berger	Review amended second report from Torkin Manes and provide comments on same; compile appendices to the second report and forward to S. Thom.
5/6/2021	Echa Odeh	Emails with J. Berger and A. Baptiste regarding incoming payment; prepare receipt processing form.
5/7/2021	Daniel Weisz	Process electronic payments; review and update confidential appendix and discussion with S. Thom regarding same.
5/7/2021	Anne Baptiste	Post receipt; prepare bank reconciliation.
5/7/2021	Echa Odeh	Organize for rent cheques to be picked up; exchange emails with Richmond Advisory Services ("RAS") and tenants regarding rent cheques; email to RAS to obtain utility meter readings.
5/10/2021	Daniel Weisz	Discussion with S. Keyzer re status of the marketing process; review emails from Colliers and respond thereto; discussion with J. Berger re status; discussion with S. Thom re interested party enquiry.
5/10/2021	Echa Odeh	Emails with Richmond Advisory Services ("RAS") and tenants regarding rent.
5/11/2021	Echa Odeh	Phone call with tenant regarding rent; email with RAS re forwarding address for cheques.
5/11/2021	Daniel Weisz	Review S. Thom comments on draft confidential appendix and finalize same; discussion with S. Thom; review draft approval and vesting order and provide comments to S. Thom.
5/11/2021	Anne Baptiste	Post disbursements.
5/12/2021	Daniel Weisz	Review draft order re ancillary relief; prepare for and attend court hearing re application for approval of the sale transaction; email to Colliers re same; email to Colliers re court approval of the transaction; review email from Colliers and respond to same; review draft sealing order and provide comments to S. Thom; review Endorsement of Justice Dunphy and email to S. Thom re same.
5/13/2021	Daniel Weisz	Exchange emails with S. Keyzer, review email from B. Hughes and reply to same; discussion with J. Berger re amounts due from tenants re deferrals; review emails re closing.
5/14/2021	Echa Odeh	Reconcile expenses paid to date relating to 170 and 186 Main St.; calculate additional rent paid; email analysis to J. Berger.
5/14/2021	Daniel Weisz	Discussion with J. Berger re his discussion with H. Dave re insurance; review Approval and Vesting Orders and Sealing Order and email to S. Thom re same; review draft email to H. Dave re assumption of insurance and provide comments to J. Berger; discussion with J. Larry re rent deferrals and subsequent discussion with J. Berger; review update requisition received from Friedmans, sign same and email to S. Thom re same.
5/14/2021	Jeff Berger	Call with S. Thom re rent arrears from certain tenants; discuss rent arrears with D. Weisz; exchange emails with various insurance brokers regarding the potential transfer of existing policies to the purchaser.

Date	Professional	Description
5/17/2021	Daniel Weisz	Review revised authorization, sign and email to A. English re same; exchange emails with A. English re closing matters.
5/17/2021	Anne Baptiste	Post receipts.
5/17/2021	Jeff Berger	Discussion with T. Thompson of HUB International Insurance Brokers re potential transfer of insurance policy to purchaser; review rent collection summary and summary of maintenance costs.
5/18/2021	Daniel Weisz	Discussion with J. Berger re matters related to closing; prepare for and attend court hearing re remainder of relief sought by the Receiver; discussion with A. English re matters relating to the closing of the transaction; review email from A. English and respond to same.
5/18/2021	Jeff Berger	Review potential closing adjustments and email to A. English re same; arrange for court documents to be posted to the Receiver's webpage.
5/18/2021	Echa Odeh	Prepare closing adjustments for Unionville Properties and email to J. Berger.
5/19/2021	Daniel Weisz	Exchange emails with S. Keyzer re the Approval and Vesting Orders and closing of the transaction.
5/19/2021	Jeff Berger	Deposit rent cheques.
5/19/2021	Echa Odeh	Prepare receipt processing form for rent received; email with PGL Environmental Consultants ("PGL") to confirm EFT information; prepare cheque requisition for payment to PGL.
5/20/2021	Daniel Weisz	Review email from A. English, discussion with J. Larry and respond to A. English; review J. Berger email to J. Larry.
5/20/2021	Jeff Berger	Email to tenant re outstanding rent; discussion with D. Weisz re same.
5/21/2021	Daniel Weisz	Review draft closing documents and provide comments to Torkin Manes; discussion with S. Thom re email received; review invoice from Colliers and respond to email from T. Teng; review email from J. Larry, review file and respond to J. Larry.
5/25/2021	Daniel Weisz	Review email from D. Mandel of First Source, discussion with J. Larry, discussion with S. Thom; send email to D. Mandel.
5/25/2021	Echa Odeh	Email and phone call with City of Markham regarding property tax arrears.
5/25/2021	Jeff Berger	Exchange various emails regarding the transfer of insurance policies to the Purchaser.
5/26/2021	Daniel Weisz	Prepare for and attend conference call with A. English and N. Geer to discuss matters relating to closing; discussion with S. Thom re same; discussion with J. Berger re statement of adjustments and matters related to closing; review email re insurance transfer on closing and exchange emails with A. English regarding same; review email from A. English and reply to same; conference call with J. Larry, S. Thom, A. English and J. Berger to discuss the status of closing; process electronic payment.
5/26/2021	Echa Odeh	Review of insurance documents; email to Desjardins to obtain insurance information; prepare summary of insurance policies and unearned premiums; email summary to J. Berger.
5/26/2021	Jeff Berger	Review draft statement of adjustments and provide comments on same; review email from H. Dave re unapplied property tax payments and

Date	Professional	Description
		forward to E. Odeh; review calculation of insurance policy premiums to be adjusted upon closing; attend to various closing matters re the sale of the Properties.
5/27/2021	Daniel Weisz	Review and exchange emails with B. Hughes re status of the closing of the sale of the Properties; review and sign closing documents and exchange emails with N. Geer re same; review email from J. Larry; review updated statement of adjustments and discussion with J. Berger on same, discussion with S. Thom; review email re status of insurance and discussion with J. Berger on same.
5/27/2021	Jeff Berger	Exchange various emails re calculation of closing adjustments and status of insurance policies; call with A. English and S. Thom re purchaser's request to be added to insurance policies prior to closing; call with D. Weisz re same.
5/27/2021	Echa Odeh	Draft letters to utility companies to close accounts; prepare cheque requisition for payments.
5/28/2021	Daniel Weisz	Review and sign additional documents re closing; numerous discussions with A. English and S. Thom; review and respond to emails re closing issues; exchange emails with J. Larry re the status of closing; discussion with I. Gragtmans and S. Keyzer; email to Colliers re the status of closing; process electronic payments.
5/28/2021	Jeff Berger	Review and edit letters to utility providers re the closing of the Receiver's accounts upon the sale of the Properties; forward same to D. Weisz; attend to various administrative matters in view of the postponement of closing.
5/31/2021	Jeff Berger	Finalize letters to utility companies re closing of accounts; receipt and review of various emails re closing of the sale transaction; emails to various insurance brokers re transfer of policies to the purchaser.
5/31/2021	Daniel Weisz	Review email from A. English re status of closing; draft email to First Source regarding tenant receivable; review comments received and send email; discussion with S. Thom; sign final closing documents; discussion with N. Geer; review and attend to various emails re closing.
5/31/2021	Echa Odeh	Email and fax letters to utility providers to close accounts.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	31.1	\$ 595	\$ 18,504.50
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Senior Manager	17.2	\$ 425	7,310.00
Echa Odeh	Senior Associate*	7.5	\$ 250	1,875.00
Anne Baptiste	Estate Administrator	1.3	\$ 110	143.00
Total hours and professional fees		<u>57.1</u>		\$ 27,832.50
HST @ 13%				3,618.23
Total payable				\$ 31,450.73

*New rate effective May 1, 2021.

VISA/MASTERCARD

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

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.



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www.rsmcanada.com

To RSM Canada Limited
Court-appointed Receiver of
160, 162, 166, 170, 174-178, and 186 Main Street
Unionville, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date July 8, 2021

Client File 7835095/10013

Invoice 7

No. 6391216

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, ON, (collectively referred to hereafter as the "**Properties**") for the period June 1, 2021 to June 30, 2021.

Date	Professional	Description
6/1/2021	Daniel Weisz	Review and address various post-closing matters; discussion with S. Thom of Torkin Manes LLP ("Torkin Manes").
6/1/2021	Echa Odeh	Email to tenants regarding post-dated rent cheques; organize for cheques to be destroyed; prepare receipt processing forms.
6/1/2021	Anne Baptiste	Post disbursements.
6/1/2021	Jeff Berger	Attend to various post-closing administrative matters and payments/distributions.
6/2/2021	Daniel Weisz	Email to Torkin Manes re account to wire funds; review emails between First Source Financial Management Inc. ("First Source") and Colliers, and discussion with S. Thom re same; review Colliers' request re listing agreements and email to S. Keyzer of Colliers re same; prepare schedule re interim distribution to be paid to First Source; discussion with S. Thom re same; draft letter to Bank of Montreal re wire transfer; review emails re proposed interim distribution.
6/3/2021	Daniel Weisz	Email to Colliers re wire transfer; email to First Source re wire transfer; discussion with J. Berger re amounts to be wired; email to S. Thom re same; email to L. Zaidener of First Source re outstanding tenant receivable and review email from J. Larry of Paliare Roland Rosenberg Rothstein LLP re same; process electronic payments; review and approve wire requests; emails to counsel for First Source and Colliers, review MLS cancellation termination agreements and email to S. Thom re same.
6/4/2021	Daniel Weisz	Exchange emails with M. Hawkins and H. Yanofsky re funds wired.
6/4/2021	Anne Baptiste	Post disbursements.
6/4/2021	Echa Odeh	Review of tenant email and forward to D. Weisz and J. Berger for review.
6/4/2021	Jeff Berger	Arrange for payments to be issued from the proceeds of sale.

Date	Professional	Description
6/7/2021	Daniel Weisz	Review email from M. Hawkins, discuss same with S. Thom and review email to J. Larry.
6/7/2021	Echa Odeh	Email to tenant regarding rent payable to the Purchaser.
6/8/2021	Jeff Berger	Provide wire details to insurance broker in order to process refund.
6/9/2021	Daniel Weisz	Discussion with S. Thom on status; email to First Source re tenant receivable and J. Berger on same.
6/9/2021	Anne Baptiste	Post receipts.
6/9/2021	Jeff Berger	Review rent arrears for tenant unit and provide summary of same to D. Weisz.
6/10/2021	Daniel Weisz	Discussion with S. Thom on status; reply to email from L. Zaidener; reply to email from A. English.
6/10/2021	Anne Baptiste	Prepare bank reconciliation.
6/10/2021	Daniel Weisz	Discussion with H. Dave and email to L. Zaidener re same.
6/10/2021	Echa Odeh	Email to J. Berger re journal entries.
6/11/2021	Daniel Weisz	Review summary of activities; discussion with S. Thom re status of commissions issue.
6/17/2021	Echa Odeh	Phone call with Canada Revenue Agency regarding the Receiver's HST account; discussion with J. Berger regarding HST calculations.
6/17/2021	Daniel Weisz	Call with S. Thom on status re commissions.
6/18/2021	Daniel Weisz	Process electronic payments.
6/18/2021	Jeff Berger	Review and approve final Enbridge accounts for payment.
6/18/2021	Echa Odeh	Prepare cheque requisition to Enbridge for final bills.
6/21/2021	Anne Baptiste	Post disbursements.
6/21/2021	Echa Odeh	Prepare detailed HST calculations.
6/22/2021	Daniel Weisz	Conference call with J. Berger and E. Odeh to discuss the status of the receivership administration; process electronic payments; conference call with M. Hawkins and S. Thom.
6/22/2021	Jeff Berger	Review final utility bills and approve payment; attend to administrative matters.
6/22/2021	Echa Odeh	Prepare cheque requisition for payment to Alectra; discussion regarding file closing; continue preparing calculations for HST filings.
6/23/2021	Daniel Weisz	Process electronic payments.
6/23/2021	Echa Odeh	Prepare cheque requisitions; complete draft of HST calculations; review calculations and make amendments where necessary; email HST calculations to J. Berger for review.
6/24/2021	Daniel Weisz	Review schedule re HST returns to be filed and discussion with J. Berger regarding same; review schedule of funds on hand and discussion with J. Berger on same.
6/24/2021	Jeff Berger	Prepare statement of funds on hand and discuss same with D. Weisz; review and finalize HST calculations and discuss same with E. Odeh.
6/25/2021	Anne Baptiste	Post disbursements.
6/25/2021	Daniel Weisz	Process electronic payments; review schedule re funds on hand, update and email to S. Thom re same.

Date	Professional	Description
6/25/2021	Jeff Berger	Email to T. Thompson of HUB re refund of insurance premiums; review and approve payment of HST liabilities; attend to administrative/bookkeeping matters.
6/25/2021	Echa Odeh	File HST returns and prepare cheque requisitions for payments.
6/29/2021	Daniel Weisz	Review summary of activities.
6/29/2021	Anne Baptiste	Post receipt.
6/29/2021	Jeff Berger	Follow-up with AON re insurance policy refund.
6/30/2021	Anne Baptiste	Post disbursements.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	8.3	\$ 595	\$ 4,938.50
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Senior Manager	8.2	\$ 425	3,485.00
Echa Odeh	Senior Associate	10.5	\$ 250	2,625.00
Anne Baptiste	Estate Administrator	3.0	\$ 110	330.00
Total hours and professional fees		<u>30.0</u>		\$ 11,378.50
HST @ 13%				1,479.21
Total payable				\$ 12,857.71

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.



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To RSM Canada Limited
Court-appointed Receiver of
160, 162, 166, 170, 174-178, and 186 Main Street
Unionville, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date August 12, 2021

Client File 7835095/10013

Invoice 8

No. 6414533

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, ON, (collectively referred to hereafter as the "**Properties**") for the period July 1, 2021 to July 31, 2021.

Date	Professional	Description
7/6/2021	Daniel Weisz	Discussion with S. Thom of Torkin Manes LLP re results of court attendance.
7/7/2021	Anne Baptiste	Prepare bank reconciliation.
7/8/2021	Daniel Weisz	Review summary of activities.
7/15/2021	Jeff Berger	Review HST returns.
7/15/2021	Echa Odeh	Prepare HST calculation with property split and file returns.
7/18/2021	Daniel Weisz	Review email from J. Larry of Paliare Roland Rosenberg Rothstein LLP, review files and respond to J. Larry.
7/26/2021	Daniel Weisz	Exchange emails re status of HST refunds.
7/26/2021	Echa Odeh	Review of Canada Revenue Agency ("CRA") correspondence; update HST filing tracker, reconcile interest and penalties in tracker; email correspondence to J. Berger regarding held refund.
7/28/2021	Echa Odeh	Prepare cheque requisition.
7/30/2021	Anne Baptiste	Post disbursement.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.6	\$ 595	\$ 357.00
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Senior Manager	0.3	\$ 425	127.50
Echa Odeh	Senior Associate	1.8	\$ 250	450.00
Anne Baptiste	Estate Administrator	0.7	\$ 110	77.00
Total hours and professional fees		<u>3.4</u>		\$ 1,011.50
HST @ 13%				131.50
Total payable				\$ 1,143.00

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.



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To RSM Canada Limited
Court-appointed Receiver of
160, 162, 166, 170, 174-178, and 186 Main Street
Unionville, ON
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date September 9, 2021

Client File 7835095/10013

Invoice 9

No. 6433545

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver of 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, ON, (collectively referred to hereafter as the "**Properties**") for the period August 1, 2021 to August 31, 2021.

Date	Professional	Description
8/4/2021	Echa Odeh	Review of document from Canada Revenue Agency ("CRA") and email to J. Berger and D. Weisz regarding outstanding returns; prepare receipt processing form and deposit slip.
8/5/2021	Echa Odeh	Prepare receipt processing form and deposit slip.
8/5/2021	Anne Baptiste	Post receipt.
8/6/2021	Anne Baptiste	Prepare bank reconciliation; post receipt.
8/11/2021	Daniel Weisz	Review summary of activities; E. Odeh re status of HST refunds re the receivership administration.
8/13/2021	Echa Odeh	Draft letter to debtor.
8/16/2021	Daniel Weisz	E. Odeh re HST refund being released and matters relating thereto; review and update email to S. Thom of Torkin Manes LLP re HST; discussion with S. Thom re the status of the receivership administration.
8/16/2021	Echa Odeh	Email to CRA to confirm outstanding returns; phone call with CRA regarding outstanding returns; draft email to counsel regarding same.
8/16/2021	Jeff Berger	Review and edit draft email to H. Dave; discuss same with E. Odeh.
8/18/2021	Daniel Weisz	Discussion with J. Berger re rent reconciliation.
8/20/2021	Daniel Weisz	Conference call with S. Thom, J. Berger and J. Larry of Paliare Roland Rosenberg Rothstein LLP to discuss the status of the receivership.
8/20/2021	Jeff Berger	Call with D. Weisz, S. Thom and J. Larry re status of HST and the receivership administration.

Date	Professional	Description
8/24/2021	Daniel Weisz	Discussion with E. Odeh re the status of HST.
8/24/2021	Echa Odeh	Review of mail and provide an update to J. Berger and D. Weisz.
8/24/2021	Jeff Berger	Email to H. Dave re MPAC assessments received for the Properties.
8/26/2021	Daniel Weisz	Email to S. Thom re court date status.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	1.4	\$595	\$ 833.00
Jeffrey K. Berger, CPA, CA, CIRP, LIT	Senior Manager	1.3	\$425	552.50
Echa Odeh	Senior Associate	2.4	\$250	600.00
Anne Baptiste	Estate Administrator	0.7	\$110	77.00
Total hours and professional fees		<u>5.8</u>		\$ 2,062.50
HST @ 13%				268.13
Total payable				\$ 2,330.63

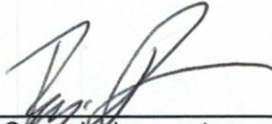
VISA/MASTERCARD

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.

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN REMOTELY
BEFORE ME THIS 20th DAY OF SEPTEMBER, 2021**



A Commissioner, etc.

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

In the Matter of the Receivership of
160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario
Summary of Receiver's Fees
For the Period April 1, 2021 to August 31, 2021

Invoice #	Invoice Date	Period	Hours	Fees	HST	Total	Average Hourly Rate
5	15-Jun-21	April 1 to April 30, 2021	58.5	\$ 30,016.50	\$ 3,902.15	\$ 33,918.65	\$ 513.10
6	30-Jun-21	May 1 to May 31, 2021	57.1	\$ 27,832.50	\$ 3,618.23	\$ 31,450.73	\$ 487.43
7	8-Jul-21	June 1 to June 30, 2021	30.0	\$ 11,378.50	\$ 1,479.21	\$ 12,857.71	\$ 379.28
8	12-Aug-21	July 1 to July 31, 2021	3.4	\$ 1,011.50	\$ 131.50	\$ 1,143.00	\$ 297.50
9	9-Sep-21	August 1 to August 31, 2021	5.8	\$ 2,062.50	\$ 268.13	\$ 2,330.63	\$ 355.60
Total			154.8	\$ 72,301.50	\$ 9,399.22	\$ 81,700.72	\$ 467.06

K

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

UNIONVILLE RE-DEV CORPORATION,
UNIONVILLE RE-DEV PHASE 2 CORPORATION and
BLACKSMITH PARTNERS INC.

Respondents

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

AFFIDAVIT OF J. GLEN EDDIE

I, J. Glen Eddie, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Lawyer with the law firm of TORKIN MANES LLP (“**Torkin Manes**”), which has been engaged as independent counsel to RSM Canada Limited (“**RSM**”), in its capacity as Receiver of the properties municipally known as 160, 162, 166, 170, 174-178, and 186 Main Street, Unionville, Ontario owned by the Respondents and as such have knowledge of the matters to which I hereinafter depose either through my own knowledge or by informing myself with respect thereto in which case I have indicated the source of my information and belief.

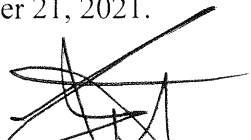
2. Attached hereto as **Exhibit "A"** are true copies of the accounts issued by Torkin Manes to RSM, in its capacity as Receiver, which includes detailed descriptions of the work performed for

the period from April 1, 2021 to and including September 20, 2021. The total fees charged by Torkin Manes to RSM during this period were \$61,044.00, plus HST of \$7,935.73, plus disbursements of \$566.11, plus HST on disbursements of \$21.45, for a total amount of \$69,567.29.

3. I confirm that the attached accounts accurately reflect the services provided by Torkin Manes in this matter and the fees and disbursements claimed by it during the period described above.

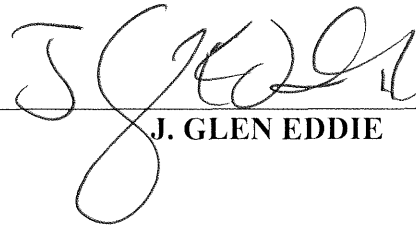
4. Additionally, attached hereto as **Exhibit "B"** is a summary of additional information with respect to the aforesaid accounts indicating all members of Torkin Manes who worked on this matter during the period described above, their year of call to the bar, total time charges and hourly rates, and I hereby confirm that this list represents an accurate account of such information.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on September 21, 2021.



Commissioner for Taking Affidavits
(or as may be)

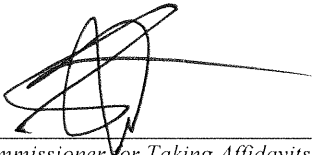
STEWART THOM

} 

J. GLEN EDDIE

RCP-E 4D (July 1, 2007)

This is Exhibit "A" referred to in the Affidavit of J. Glen Eddie sworn September 21, 2021.

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

Commissioner for Taking Affidavits (or as may be)

STEWART THOM

Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Tel: 416 863 1188
Fax: 416 863 0305
torkinmanes.com



May 31, 2021

Invoice No.: 350452

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

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

RE: Receivership Re Unionville Re-Dev Corporation, Unionville
Re-Dev Phase 2 Corporation, and Blacksmith Partners Inc.
File No.: 34487.0005

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Apr 01 21	AD	To further reviewing and revising forms of agreements of purchase and sale; e-mail correspondence with Danny Weisz re same	1.90
Apr 01 21	SDT	Communications with client re tenant lease extension issues; review of MLS listings; communications with Colliers re MLS listing for individual properties and related issues	2.00
Apr 02 21	AD	To further reviewing and revising forms of agreements of purchase and sale; e-mail correspondence with Danny Weisz re required leasing particulars and collective sale of 160, 162 and 166 Main Street properties	0.40
Apr 02 21	SDT	Communications re template APS agreements with RE group	0.30

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May 31, 2021
Our File No.: 34487.0005
Invoice # 350452

Apr 05 21	AD	To attending to issues re template agreements of purchase and sale; telephone call with Danny Weisz re same; receipt and review of updated leasing information from Jeff Berger	0.50
Apr 05 21	AE	To review of and commenting on issues re allocation of purchase price and potential structuring of sales of properties on both individual and collective basis	0.20
Apr 05 21	SDT	Communications with receiver and RE group re template APS agreements; communications with J. Viriglio re ROFR issues concerning 186 Main St.; related communications	1.10
Apr 06 21	AD	To further reviewing and revising template agreements of purchase and sale; preparing form of global template re sale of 160, 162 and 166 Main Street property; multiple internal conferences with Stewart Thom and Aaron English re right of first refusal and issues re same; detailed e-mail to Danny Weisz and Jeff Berger re same	3.00
Apr 06 21	AE	To conference with Stewart Thom re condition in global agreement for removal of properties	0.20
Apr 06 21	SDT	Communications with receiver; communications with counsel for First Source; communications with JV re ROFR issue; communications with counsel for second mortgagee on 160-166 re sale of property and related issues	2.80
Apr 07 21	AD	To finalizing template agreements of purchase and sale; telephone call with Danny Weisz re same; e-mail correspondence with Colliers re same	1.00

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May 31, 2021
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Apr 07 21	SDT	Communications with court re rescheduling of court date; communications with service list re same; review of revised MLS listings; review comments and revisions re template APS and discussions re same	1.50
Apr 08 21	SDT	Communications with counsel for Watford re form of APS and offer deadline issues; communications with Colliers re listing price for individual properties and communications with second mortgagee	1.20
Apr 09 21	SDT	Communications with counsel for 186 tenant; communications with counsel for second mortgagee re 160-182; communications with receiver; communications re environmental reports	1.20
Apr 11 21	SDT	Communications re ROFR issue	0.20
Apr 12 21	SDT	Preparation of agreement re ROFR process; communications with receiver; communications with counsel for 186 tenant; address ST issue with counsel for respondents	2.40
Apr 14 21	AE	To conference with Stewart Thom re disclosure to potential purchasers of gas leak in restaurant property	0.20
Apr 14 21	SDT	Communications with receiver re sales process progress and related issues	1.30
Apr 15 21	SDT	Communications with Watford re APS and offer deadline issue; communications with counsel for respondents re HST issue; communications with Colliers and receiver re sales process and related matters; communications with client and Colliers re additional disclosure issues and notice to potential purchasers	2.80

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May 31, 2021
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Apr 16 21	SDT	Communications with counsel for tenant re ROFR issue; communications with Colliers and receiver re offers received	1.10
Apr 17 21	SDT	Communications re sales process issues	0.40
Apr 19 21	SDT	Review of offers submitted; communications re same; communications with various parties re sale process outcome and bid selection timelines; communications with counsel for 186 tenant re ROFR exercise	1.90
Apr 20 21	SDT	Communications with receiver and Colliers re potential late offer submission; communications with counsel for respondents	0.60
Apr 21 21	SDT	Communications with receiver, counsel for First Source and counsel for 186 tenant re waiver of conditions/ROFR	1.40
Apr 22 21	SDT	Communications re sales process outcome and offer selection; communications with interested parties re offer selection	1.20
Apr 23 21	AD	To receipt and review of vendor's counsel's comments on form of global agreement of purchase and sale; e-mail correspondence with Stewart Thom re same	0.30
Apr 23 21	SDT	Communications with client re APS; communications with counsel for 186 tenant re ROFR; communications with purchaser counsel re selection of offer and condition waiver issues	0.90
Apr 26 21	SDT	Communications with receiver; communications with counsel for purchaser	0.40
Apr 27 21	SDT	Communications with various parties re sales process outcome and related issues	0.80

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May 31, 2021
Our File No.: 34487.0005
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Apr 28 21	SDT	Communications with various parties re sale process outcome and related issues; communications with counsel for purchaser re conditions and closing issues; communications with counsel for First Source; preparation of NDA for 186 tenant and communications re ROFR issue	2.80
Apr 29 21	SDT	Communications re NDA and disclosure of information; communications with receiver; communications re closing issues and court materials	0.90
Apr 30 21	SDT	Communications with client; communications with counsel for purchaser	0.60
May 03 21	SDT	Communications with counsel for purchaser re closing issues; communications with receiver re same	1.30
May 04 21	SDT	Revisions to draft Second Report; preparation of materials for approval motion	3.40
May 05 21	SDT	Revisions to second report; communications with counsel for 186 tenant re ROFR issue; communications with counsel for purchaser and First Source re condition waiver issues; preparation of security opinion	5.50
May 06 21	AD	To discussions with Stewart Thom re existing first charge to Bank of Nova Scotia and issues re same	0.20
May 06 21	SDT	Preparation of Notice of Motion; finalization of materials; attended to service and filing issues; communications with various parties re approval motion and related issues	4.80
May 10 21	SDT	Communications with counsel for 196 tenant; communications with client	0.50

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May 31, 2021
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Torkin | **Manes**
Barristers & Solicitors

May 11 21	AE	To conference with Stewart Thom re approval and vesting order	0.10
May 11 21	SDT	Communications re form of vesting orders; preparation of vesting orders; preparation of confidential appendix brief; communications with court	4.10
May 12 21	AD	To discussions with Stewart Thom re discharged mortgage to BNS and issues re vesting order re same	0.20
May 12 21	SJ	Obtained updated parcel registers for various properties	0.50
May 12 21	SDT	Preparation for and attendance in court re approval of sale motion; preparation of sealing order; communications with court and service list	2.20
May 13 21	AE	To conference with Stewart Thom re approvals and vesting orders and closing	0.20
May 13 21	SDT	Communications with RE group re closing matters	0.40
May 14 21	AE	To review of draft authorization re off-title searches; e-mail correspondence with purchaser's counsel re comments on same	0.10
May 15 21	AE	To review of revised authorization re off-title searches; e-mail correspondence with Daniel Weisz re same and re closing date	0.30
May 17 21	AE	To attending to preliminary matters re approval and vesting order; e-mail correspondence with purchaser's solicitor re authorizations for off-titles; review of signed agreement of purchase and sale; e-mail correspondence with Daniel Weisz re adjustments, ROFR and closing matters	0.90

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Torkin | **Manes**
Barristers & Solicitors

May 17 21	AD	To reviewing issued approval and vesting orders against schedules of permitted encumbrances and claims to be expunged scheduled to fully executed agreement of purchase and sale; email correspondence with Stewart Thom re same	1.00
May 17 21	SDT	Preparation of admin Order; preparation for attendance in court for administrative relief	1.20
May 18 21	AE	To attending to preliminary matters re closing documents; telephone discussion and e-mail correspondence with Daniel Weisz re closing and adjustments; e-mail correspondence with purchaser's counsel re closing and release of guarantee	0.80
May 18 21	NG	Drafted closing documents in connection with Receivership transaction	1.00
May 18 21	SDT	Preparation for and attendance in court re approval of administrative relief	0.80
May 19 21	NG	Amended draft documents for Receivership transaction;	2.00
May 19 21	AE	To reviewing draft closing documents; review of subsearches of properties re partial assignments of agreement of purchase and sale	1.10
May 20 21	AE	To e-mail correspondence with purchaser's solicitor re release of guarantee and closing date; e-mail correspondence with Daniel Weisz re same; e-mail correspondence with Jeffrey Berger re adjustments; review of additional closing documents	1.50
May 20 21	NG	Reviewed comment from Aaron English, and amended draft documents	1.00

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May 21 21	AE	To finalizing draft closing documents; e-mail correspondence with Daniel Weisz re same	0.90
May 21 21	NG	Amended and prepared blacklines of draft closing documents in connection with Receivership transactions	2.40
May 21 21	SDT	Communications with client re closing issues	0.30
May 22 21	AE	To e-mail correspondence with Daniel Weisz re potential tendering and closing date; e-mail correspondence with Barry Polisuk re closing date	0.20
May 24 21	AE	To communications re closing matters	0.40
May 25 21	AE	To attending to draft closing documents and adjustments, including review of draft statement of adjustments; e-mail correspondence with Daniel Weisz re same; e-mail correspondence with Barry Polisuk re closing date and draft closing documents; attending to various closing matters	2.40
May 25 21	NG	Reviewed comments from Daniel Weisz; Amended draft documents and circulated to Purchaser's Solicitor	3.60
May 25 21	SDT	Communications with RE group re closing matters; communications with receiver and First Source re distribution issues	1.60
May 26 21	AE	To e-mail correspondence with Barry Polisuk re closing, closing documents and outstanding matters; extensive e-mail correspondence with Daniel Weisz and Jeffrey Berger re same; review of various closing documents; conference with Daniel Weisz and Nishana Geer re closing matters and documents; conference with Stewart Thom; conference call with Daniel Weisz, Jeffrey Berger, Jeffrey Larry and	3.40

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May 31, 2021
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		Stewart Thom re extension of closing and adjustments	
May 26 21	NG	Call with Aaron English and Daniel Weisz re closing matters; Drafted draft Applications for Vesting Orders and amended draft documents	3.80
May 27 21	AE	To attending to various outstanding closing matters; extensive e-mail correspondence with Daniel Weisz and Jeffrey Berger re adjustments, rent arrears and closing matters; review of revised statement of adjustments; e-mail correspondence and telephone discussion with Barry Polisuk re rental arrears for Guardian Pharmacy and closing matters; conference call with Jeffrey Berger and Stewart Thom re insurance issues and potential further extension of closing	3.00
May 27 21	NG	Amended documents; correspondence with client re closing matters	2.20
May 27 21	SDT	Communications with client re closing issues; communications with purchaser counsel; communications with RE group; communications with counsel for First Source	2.00
May 28 21	AE	To attending to settlement of all closing documents; and closing matters; extensive e-mail correspondence and telephone discussions with Daniel Weisz and Stewart Thom re closing matters and extension of closing; extensive e-mail correspondence and telephone discussions with Barry Polisuk re same	4.60
May 28 21	LDR	Discussion re assignment of agreement of purchase and sale	0.20
May 28 21	NG	Amended draft Purchaser documents; attended to closing matters	3.20

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May 28 21	SDT	Communications re closing issues	3.20
May 29 21	SDT	Communications with receiver	0.30
May 30 21	AE	To e-mail correspondence with Barry Polisuk re potential sale of Guardian rental arrears; e-mail correspondence with Daniel Weisz re potential sale of Guardian rental arrears and revised adjustments; review of signed purchaser resolutions; attending to outstanding issues re purchaser's documents	0.60
May 30 21	NG	Reviewed all Purchaser documents; Correspondence with Purchaser's Solicitor re outstanding issues with Purchaser documents	0.80
May 31 21	AE	To attending to closing	2.00
May 31 21	NG	Attending to closing matters	2.20
May 31 21	SDT	Communications re distribution issues raised by First Source/Colliers	2.30
		Total Hours:	118.20

OUR FEE:	\$52,401.00
HST:	\$6,812.13
SUB-TOTAL:	<u>\$59,213.13</u>

LAWYERS' SUMMARY: FEES SUBJECT TO HST:

<u>LAWYERS AND LEGAL ASSISTANTS INVOLVED</u>	<u>HOURLY RATE</u>	<u>HOURS WORKED</u>
Nishana Geer	180.00	22.20
Anthony DAngelo	300.00	8.50
Shalan Jankowski	310.00	.50
Aaron English	525.00	23.10
Stewart D. Thom	525.00	63.70
Leonard D. Rodness	650.00	.20
TOTAL HOURS		118.20

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May 31, 2021
Our File No.: 34487.0005
Invoice # 350452

Torkin | Manes
Barristers & Solicitors

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Title search disbursements	145.90
	<hr/>
	145.90

NON-TAXABLE DISBURSEMENTS:

Title search disbursements	67.60
File a Motion	320.00
	<hr/>
	387.60

Total Disbursements	\$533.50
HST on Disbursements	\$18.97

TOTAL DISBURSEMENTS AND HST: \$552.47

TOTAL FEE, DISBURSEMENTS & HST \$59,765.60

BALANCE DUE AND OWING BY YOU \$59,765.60

TORKIN MANES LLP

Per: 

Stewart D. Thom

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.
Interest will be charged pursuant to the Solicitors Act at the
rate of 1.0 percent per year.

Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Tel: 416 863 1188
Fax: 416 863 0305
torkinmanes.com

Torkin | Manes
Barristers & Solicitors

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

Invoice No.: 350452
Date of this Account: May 31, 2021
File No: 34487.0005
Client: RSM Canada
Attention: Stewart D. Thom
Total this Account: \$59,765.60

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Toronto, ON M5C 2W7

Tel: 416 863 1188
Fax: 416 863 0306
torkinmanes.com

Torkin | Manes
Barristers & Solicitors

June 30, 2021

Invoice No.: 351891

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

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

RE: Receivership Re Unionville Re-Dev Corporation, Unionville
Re-Dev Phase 2 Corporation, and Blacksmith Partners Inc.
File No.: 34487.0005

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Jun 01 21	AE	To e-mail correspondence with Barry Polisuk re keys and water arrears; e-mail correspondence with Daniel Weisz re water arrears; attending to same	0.80
Jun 01 21	SDT	Communications with receiver; communications with Colliers; communication with Court re property tax arrears issue; communications with dispute re commission payable	0.90
Jun 02 21	AE	To attending to distribution of proceeds of sale	0.40
Jun 02 21	NG	Attended to disbursement of funds	0.60
Jun 02 21	SDT	Communications with Colliers and First Source re holdback of disputed commission amount and release of non-disputed funds; review of cancellation of listing agreement and discussion with Receiver re same	2.10

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Our File No.: 34487.0005
Invoice # 351891

Jun 03 21	SDT	Communications with Receiver re distribution of sale proceeds and related issues	0.40
Jun 07 21	NG	Reviewed file; drafted final reporting letter to client and report book index	2.50
Jun 07 21	SDT	Communications with Colliers and First Source re process issues concerning resolution of commission issues	0.60
Jun 08 21	AE	To e-mail correspondence from Barry Polisuk re purchase of rental arrears; e-mail correspondence with Daniel Weisz re same	0.10
Jun 09 21	AE	To e-mail correspondence with Daniel Weisz and Barry Polisuk re purchase of tenant receivables	0.10
Jun 10 21	AE	To e-mail correspondence with Daniel Weisz and Barry Polisuk re sale of rent receivables to purchaser	0.10
Jun 11 21	SDT	Communications with First Source re scheduling of court appointment re commission issue and holdback funds	0.20
Jun 15 21	SDT	Communications with First Source re unsealed confidential exhibits and related issues	0.20
Jun 17 21	AE	To e-mail correspondence with Jeffrey Berger and Barry Polisuk re Alectra services	0.10
Jun 22 21	SDT	Communications with receiver; communications with Colliers and First Source re disputed matters	1.30
		Total Hours:	10.40

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June 30, 2021
Our File No.: 34487.0005
Invoice # 351891

Torkin | Manes
Barristers & Solicitors

OUR FEE: \$4,390.50
HST: \$570.77

SUB-TOTAL: \$4,961.27

LAWYERS' SUMMARY: FEES SUBJECT TO HST:

<u>LAWYERS AND LEGAL ASSISTANTS INVOLVED</u>	<u>HOURLY RATE</u>	<u>HOURS WORKED</u>
Nishana Geer	180.00	3.10
Aaron English	525.00	1.60
Stewart D. Thom	525.00	5.70
TOTAL HOURS		10.40

DISBURSEMENTS

TAXABLE DISBURSEMENTS:

Deliveries	15.81
Laser copies	3.30
	<hr/> 19.11

NON-TAXABLE DISBURSEMENTS:

Bank transfer and service charges	13.50
	<hr/> 13.50

Total Disbursements	\$32.61
HST on Disbursements	\$2.48

TOTAL DISBURSEMENTS AND HST: \$35.09

TOTAL FEE, DISBURSEMENTS & HST \$4,996.36

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June 30, 2021
Our File No.: 34487.0005
Invoice # 351891

Torkin | Manes
Barristers & Solicitors

BALANCE DUE AND OWING BY YOU

\$4,996.36

TORKIN MANES LLP

Per: 

Stewart D. Thom

E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.
Interest will be charged pursuant to the Solicitors Act at the
rate of 1.0 percent per year.

Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street Suite 1500
Toronto, ON M5C 2W7

Tel: 416 863 1188
Fax: 416 863 0305
torkinmanes.com

Torkin | Manes
Barristers & Solicitors

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

Invoice No.: 351891
Date of this Account: June 30, 2021
File No: 34487.0005
Client: RSM Canada
Attention: Stewart D. Thom
Total this Account: \$4,996.36

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Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Tel: 416 863 1188
Fax: 416 863 0305
torkinmanes.com



September 21, 2021

Invoice No.: 354873

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

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

RE: Receivership Re Unionville Re-Dev Corporation, Unionville
Re-Dev Phase 2 Corporation, and Blacksmith Partners Inc.
File No.: 34487.0005

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Jul 06 21	SDT	Preparation for and attendance at case conference	0.50
Jul 19 21	SDT	Communications with receiver and counsel for First Source	0.30
Aug 16 21	SDT	Communications with Receiver	0.20
Aug 20 21	SDT	Communications with receiver and counsel for First Source re Receiver discharge and Colliers/First Source dispute	0.30
Aug 24 21	SDT	Communications with court re request for motion dates	0.30
Aug 26 21	SDT	Communications with receiver re date for discharge motion	0.20

Page 2
 September 21, 2021
 Our File No.: 34487.0005
 Invoice # 354873



Aug 27 21	SDT	Communications with receiver and counsel re confirmation of motion date for receiver discharge motion	0.40
Aug 30 21	SDT	Communications re receiver discharge motion	0.30
Sep 15 21	SDT	Communications with receiver re discharge motion materials	0.30
Sep 20 21	SDT	Revisions to Receiver's Third Report re Discharge; preparation of Notice of Motion re discharge; communications with counsel for First Source	5.30
		Total Hours:	8.10

OUR FEE:	\$4,252.50
HST:	\$552.83
SUB-TOTAL:	<hr/> \$4,805.33

LAWYERS' SUMMARY: FEES SUBJECT TO HST:

<u>LAWYERS AND LEGAL ASSISTANTS INVOLVED</u>	<u>HOURLY RATE</u>	<u>HOURS WORKED</u>
Stewart D. Thom	525.00	8.10
TOTAL HOURS		8.10

TOTAL FEE, DISBURSEMENTS & HST	\$4,805.33
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September 21, 2021
Our File No.: 34487.0005
Invoice # 354873

Torkin|Manes
Barristers & Solicitors

BALANCE DUE AND OWING BY YOU

\$4,805.33

TORKIN MANES LLP

Per: _____


Stewart D. Thom

E. & O. E.

HST REGISTRATION NUMBER: R117246456

Payment is due upon receipt.
Interest will be charged pursuant to the Solicitors Act at the
rate of 1.0 percent per year.

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Invoice No.: 354873
Date of this Account: September 21, 2021
File No: 34487.0005
Client: RSM Canada
Attention: Stewart D. Thom
Total this Account: \$4,805.33

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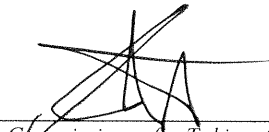
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This is Exhibit "B" referred to in the Affidavit of J. Glen Eddie sworn September 21, 2021.

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

Commissioner for Taking Affidavits (or as may be)

STEWART THOM

Summary of Additional Lawyer Information

<u>Lawyer</u>	<u>Year of Call</u>	<u>Hours Billed</u>	<u>Hourly Rate</u>	<u>Total Billed</u>
Stewart Thom	2008	77.50	\$525.00	\$40,687.50
Leonard Rodness	1988	0.20	\$650.00	\$130.00
Aaron English	2004	24.70	\$525.00	\$12,967.50
Anthony D'Angelo	2019	8.50	\$300.00	\$2,550.00
Shalan Jankowski	Clerk	0.50	\$310.00	\$155.00
Nishana Greer	Clerk	25.30	\$180.00	\$4,554.00
TOTAL				<u>\$61,044.00</u>

FIRST SOURCE FINANCIAL MANAGEMENT INC.
Applicant

-and- UNIONVILLE RE-DEV CORPORATION, et al
Respondents

Court File No. CV-20-00647644-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF J. GLEN EDDIE

TORKIN MANES LLP

Barristers & Solicitors

151 Yonge Street, Suite 1500

Toronto, ON M5C 2W7

Stewart Thom (55695C)

sthom@torkinmanes.com

Direct Tel: 416-777-5197

Tel: 416-863-1188

Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (May 1, 2016)