

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD.

Respondent

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

**MOTION RECORD
(Returnable March 3, 2015)**

February 19, 2015

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*Lawyers for A. Farber & Partners Inc., in its
capacity as Receiver Pembroke Residence Ltd.*

TO: ATTACHED SERVICE LIST

SERVICE LIST

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Hylton Levy

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Court-appointed Receiver

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CANADA REVENUE AGENCY

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Toronto, ON M5J 2X6
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Toronto, ON M5X 1K6

Attention: Diane Winters

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**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS
REPRESENTED BY THE MINISTER OF FINANCE**

(Income Tax, PST)
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**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS
REPRESENTED BY THE MINISTRY OF REVENUE (OSHAWA)**

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Oshawa, Ontario
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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD.

Respondent

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

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD..

Respondent

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

**NOTICE OF MOTION
(Returnable March 3, 2015)**

A. Farber & Partners Inc. ("**Farber**"), in its capacities as the Court-appointed receiver and manager (in such capacities, the "**Receiver**") of Pembroke Residence Ltd. (the "**Debtor**"), will make a motion to a judge presiding over the Commercial List on Tuesday, March 3, 2015 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR an Order substantially in the form of the draft Orders annexed hereto as **Schedule "A"** and **Schedule "B"**, including, without limitation:

- (a) if necessary, abridging the time for service and filing of this notice of motion and the motion record or, in the alternative, dispensing with same;

- (b) approving the Third Report of the Receiver dated February 19, 2015, (the “**Third Report**”) and approving the actions of the Receiver as described therein;
- (c) approving the transaction (the “**Transaction**”) contemplated by the agreement of purchase and sale entered into between Kevin Sit Investments Inc. (the “**Purchaser**”) and the Receiver dated December 3, 2014 (collectively, the “**Sale Agreement**”) and authorizing the Receiver to complete the Transaction;
- (d) vesting in the Purchaser, or as it may direct, the Debtor’s right, title and interest in and to the assets described in the Sale Agreement, free and clear of any claims and encumbrances;
- (e) authorizing and directing the Receiver to distribute certain funds to Canada Revenue Agency (“**CRA**”) and Hands-On Capital Investments Inc. (the “**First Mortgagee**”);
- (f) approving the Receiver’s interim statement of receipts and disbursements for the period ended January 31, 2015 (the “**Receiver’s Interim R&D**”);
- (g) approving the fees and disbursements of the Receiver and its counsel; and
- (h) such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- (a) pursuant to an Order of this Court dated October 17, 2014, Farber was appointed as the Receiver, without security, of all the assets, undertakings and properties of the Debtor (the “**Property**”) acquired for, or used in relation to a business carried on by the Debtor (collectively, the “**Receivership Order**”);
- (b) pursuant to the Receivership Order, the Receiver was empowered and authorized to market any or all of the Property, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the

Receiver, in its discretion, deemed appropriate (collectively, the “**Marketing and Sale Powers**”);

- (c) the Receiver’s use of the Marketing and Sale Powers resulted in the Sale Agreement;
- (d) pursuant to an Order of this Court dated January 8, 2015 (the “**Stalking Horse Process Approval Order**”), the Court authorized and directed the Receiver to enter into the Sale Agreement to sell all the Property to the Purchaser, subject to the terms of the Stalking Horse Process Approval Order;
- (e) the Stalking Horse Process Approval Order provided that completion of the sale contemplated by the Sale Agreement was conditional upon the Receiver not receiving a “**Competing Bid**” from a “**Competing Bidder**”, as those terms are defined in the Stalking Horse Process Approval Order, on or before 5:00 p.m. (Toronto time) on February 10, 2015 (the “**Bid Deadline**”);
- (f) the Receiver did not receive a Competing Bid from a Competing Bidder on or before the Bid Deadline;
- (g) a condition of the Sale Agreement is that this Court provide a sale approval and vesting order in favour of the Purchaser;
- (h) the CRA has provided written confirmation to the Receiver that the Debtor is indebted to the CRA in the amount of \$28,069.70 for payroll source deductions, which amount forms a deemed trust in favour of the CRA and is excluded from the Property;
- (i) pursuant to the Receivership Order, the Receiver was empowered and authorized to borrow certain funds for the purpose of funding the exercise of its powers and duties, and the whole of the Property was charged by way of a fixed and specific 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 (as defined in the Receivership Order), but subordinate in priority to the Receiver's Charge (as defined in the Receivership Order) and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3, as amended (the "**BIA**");

- (j) to-date, the Receiver has borrowed the aggregate principal amount of \$60,000.00 from the First Mortgagee;
- (k) the Debtor is also indebted to the First Mortgagee, and the Receiver has obtained an independent legal opinion from its counsel confirming the validity and enforceability of the security of the First Mortgagee as against the Debtor's other creditors;
- (l) the Receiver has filed its Third Report with the Court, outlining, amongst other things, the actions of the Receiver since its appointment pursuant to the Receivership Order, and more specifically, since seeking the Stalking Horse Process Approval Order;
- (m) the Receiver's activities have been reasonable and responsible in accordance with the Receiver's mandate as provided by the Receivership Order;
- (n) the Receiver and its counsel have accrued fees and expenses in their capacity as Receiver and counsel thereto, respectively, which fees and expenses require the approval of this Court pursuant to the Receivership Order;
- (o) the Receivership Order authorizes the Receiver to pass its accounts from time to time, and to include any necessary solicitor fees and disbursements in the passing of the accounts;
- (p) the other facts and grounds set out in the Third Report;
- (q) section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43;

- (r) sections 67 and 243 of the BIA;
- (s) rules 1.04, 2.03, 3.02, 11, 37 and 41 of the *Rules of Civil Procedure*; and
- (t) such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Third Report of the Receiver;
- (b) the affidavit of Noah Litwack, sworn February 18, 2015;
- (c) the affidavit of Jeremy Nemers, sworn February 17, 2015; and
- (d) such further and other material as counsel may submit and this Court may permit.

Date: February 19, 2015

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*Lawyers for A. Farber & Partners Inc., in
its capacity as Receiver Pembroke
Residence Ltd.*

TO: ATTACHED SERVICE LIST

HANDS-ON CAPITAL INVESTMENTS INC.

- and -

PEMBROKE RESIDENCE LTD.

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

**NOTICE OF MOTION
(returnable March 3, 2015)**

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Lawyers for A. Farber & Partners Inc., in its capacity as the Court-appointed receiver and manager of Pembroke Residences Ltd.

Tab A

THIS MOTION, made by A. Farber & Partners Inc., in its capacities as the Court-appointed receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Pembroke Residence Ltd. (the “**Debtor**”) for an order, *inter alia*, authorizing the Receiver to complete the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Kevin Sit Investment Inc. (the “**Purchaser**”), as purchaser, dated December 3, 2014 (the “**Sale Agreement**”), a copy of which is attached as Appendix “D” to the Third Report of the Receiver dated February 19, 2015 (the “**Third Report**”), and vesting in the Purchaser, or as it may direct,

all of the Debtor's right, title and interest in and to the property described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Paula Hoosain sworn February 19, 2015, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that 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, or as it may direct.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, or as it may direct, 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 Mr. Justice Newbould dated October 17, 2014; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal

property registry system; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

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

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

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

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal*

Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

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

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

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

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

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

Schedule "A" – Form of Receiver's Certificate

Court File No. CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD..

Respondent

RECEIVER'S CERTIFICATE

RECITALS

(A) Pursuant to an Order of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 17, 2014, A. Farber & Partners Inc. ("**Farber**") was appointed as receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Pembroke Residence Ltd. (the "**Debtor**").

(B) Pursuant to Orders of the Court dated January 8, 2015 and March 3, 2015, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and Kevin Sit Investments Inc. (the "**Purchaser**"), as purchaser, dated December 3, 2014 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser, or as it may direct, of all of the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Sale

Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction has been completed to the satisfaction of the Receiver.

(C) Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

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

A. FARBER & PARTNERS INC., solely in its capacities as the Court-appointed receiver and manager of all of the assets, undertakings and properties of Pembroke Residence Ltd.

Per: _____

Name:

Title:

SCHEDULE "B"
LEGAL DESCRIPTION OF PROPERTY

	PIN	Legal Description
1.	21100-0139(LT)	Lot 46, Plan 150 (Toronto); Pt Lot 45, Plan 150 (Toronto) as in CA270989; T/W & S/T CA270989; City of Toronto

SCHEDULE "C"
INSTRUMENTS TO BE DELETED FROM TITLE TO PROPERTY

1. Instrument No. CA270989 being a Transfer under power of sale in favour of Pembroke Residence Ltd. dated April 5, 1994.
2. Instrument No. AT2564950 being a Notice of Change of Address re Ontario Wealth Management Corporation registered November 30, 2010.
3. Instrument No. AT2605347, being a Charge in favour of 1280584 Ontario Inc. registered January 25, 2011.
4. Instrument No. AT3193489, being a Charge in favour of Hands-On Capital Investments Inc. registered December 7, 2012.
5. Instrument No. AT3264628, being a Charge in favour of Kevin Sit Investments Inc. registered March 27, 2013.
6. Instrument No. AT3264647, being a Notice of Assignment of Rents (General) in favour of Kevin Sit Investments Inc. registered March 27, 2013.
7. Instrument No. AT3264648, being a Notice in favour of Hands-On Capital Investments Inc. registered March 27, 2013.
8. Instrument No. AT3266117, being a Postponement by 1280584 Ontario Inc. in favour of Hands-On Capital Investments Inc. registered March 28, 2013.
9. Instrument No. AT3266118, being a Postponement by 1280584 Ontario Inc. in favour of Kevin Sit Investments Inc. registered March 28, 2013.
10. Instrument No. AT3318304, being a Charge in favour of Hands-On Capital Investments Inc. registered June 6, 2013.
11. Instrument No. AT3650276, being a Notice of Security Interest in favour of Indcom Leasing Inc. registered July 31, 2014.
12. Instrument No. AT3719108, being a Notice of an equitable mortgage in favour of Bahia Mar Capital Ventures Inc., registered October 22, 2014.

SCHEDULE "D"
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

1. Plan 63BA821 being a Boundaries Act Plan filed May 3, 1976.

HANDS-ON CAPITAL INVESTMENTS INC.

- and -

PEMBROKE RESIDENCE LTD.

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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Lawyers for A. Farber & Partners Inc., in its capacity as the Court-appointed receiver and manager of Pembroke Residences Ltd.

Tab B

THIS MOTION, made by A. Farber & Partners Inc., in its capacities as the Court-appointed receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Pembroke Residence Ltd. (the “**Debtor**”) for an order, *inter alia*: (i) approving the Third Report of the Receiver dated February 19, 2015 (the “**Third Report**”) and the activities of the Receiver described therein; (ii) authorizing the Receiver to distribute certain funds on account of outstanding obligations; (iii) approving the Receiver’s interim statement of receipts and disbursements for the period ended January 31, 2015 (the “**Receiver’s Interim R&D**”); and (iv) approving the fees and disbursements of the Receiver and its counsel, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report and appendices thereto, the affidavit of Noah Litwack sworn February 18, 2015 (the "**Litwack Affidavit**") and the affidavit of Jeremy Nemers sworn February 17, 2015 (the "**Nemers Affidavit**"), and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Paula Hoosain sworn February 19, 2015, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Third Report and the activities of the Receiver described therein are hereby approved.
3. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to distribute \$28,069.70 to Canada Revenue Agency, without further Order of this Court, on account of the Debtor's indebtedness for payroll source deductions.
4. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to distribute \$60,000.00 plus applicable interest and accrued charges to Hands-On Capital Inc. (the "**First Mortgagee**"), without further Order of this Court, on account of repayment of the Receiver's borrowings from the First Mortgagee in the aggregate principal amount of \$60,000.00.
5. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to distribute up to the amount of \$4,391,077.23 to the First Mortgagee, plus any interest, fees and other amounts

accruing after February 28, 2015, without further Order of this Court, on account of the Debtor's indebtedness to the First Mortgagee.

6. **THIS COURT ORDERS** that the Receiver's Interim R&D, as further described in the Third Report, be and is hereby approved.

7. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, as described in the Third Report and as set out in the Litwack Affidavit, be and are hereby approved.

8. **THIS COURT ORDERS** that the fees and disbursements of Aird & Berlis LLP, counsel to the Receiver, as described in the Third Report and as set out in the Nemers Affidavit, be and are hereby approved.

9. **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.

HANDS-ON CAPITAL INVESTMENTS INC.

- and -

PEMBROKE RESIDENCE LTD.

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

**ORDER
(Re Ancillary Matters)**

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

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Lawyers for A. Farber & Partners Inc., in its capacity as the Court-appointed receiver and manager of Pembroke Residences Ltd.

Tab C

Revised: January 21, 2014

Court File No. CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE _____) _____ DAY, THE _____ DAY
JUSTICE _____) OF _____, 20____

THE HONOURABLE,) TUESDAY, THE 3RD DAY
)
JUSTICE) OF MARCH, 2015

BETWEEN:

~~PLAINTIFF~~

Plaintiff

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

~~DEFENDANT~~

Defendant

PEMBROKE RESIDENCE LTD.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~ A. Farber & Partners Inc., in its
capacitycapacities as the Court-appointed receiver ~~(and manager (in such capacities, the~~

~~"Receiver")"), without security, of all of the undertaking, property and assets of [DEBTOR]assets, undertakings and properties of Pembroke Residence Ltd. (the "Debtor") for an order approving, *inter alia*, authorizing the Receiver to complete the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and [NAME OF PURCHASER] (the "Purchaser") dated [DATE] and appended to the, as vendor, and Kevin Sit Investment Inc. (the "Purchaser"), as purchaser, dated December 3, 2014 (the "Sale Agreement"), a copy of which is attached as Appendix "D" to the Third Report of the Receiver dated [DATE]February 19, 2015 (the "Third Report"), and vesting in the Purchaser, or as it may direct, all of the Debtor's right, title and interest in and to the assetsproperty described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.~~

ON READING the Third Report and appendices thereto, and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~ and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME]~~Paula Hoosain sworn ~~[DATE]~~February 19, 2015, filed¹.

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,² and ~~that the execution of the Sale Agreement by the Receiver³ is hereby authorized and~~

¹ This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

² In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

³ In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

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, or as it may direct.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the **"Receiver's Certificate"**), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement [~~and listed on Schedule B hereto~~]⁴ shall vest absolutely in the Purchaser, or as it may direct, 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"**)⁵, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice [NAME] Newbould dated [DATE] October 17, 2014; (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

⁴ To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

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

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the ~~[Registry Division of {LOCATION} of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver]~~[appropriate Land Titles Division of {LOCATION} of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act]⁶, the Land Registrar is hereby directed to enter the Purchaser, or as it may direct, as the owner of the subject real property identified in **Schedule "B"** hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "C"** hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ 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 sale⁸, 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 Elect the language appropriate to the land registry system (Registry vs. Land Titles).

⁷ The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

⁸ This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

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

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

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

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

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

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

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

9. **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.

Revised: January 21, 2014

Schedule "A" – Form of Receiver's Certificate

Court File No. _____ CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

~~B E T W E E N:~~

~~PLAINTIFF~~

Plaintiff

Applicant

- and -

~~DEFENDANT~~

Defendant

PEMBROKE RESIDENCE LTD..

Respondent

RECEIVER'S CERTIFICATE

RECITALS

(A) A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~ Mr. Justice
Newbould of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated
~~[DATE OF ORDER], [NAME OF RECEIVER]~~ "Court" dated October 17, 2014, A. Farber &
Partners Inc. ("Farber") was appointed as the receiver ~~(and manager (in such capacities, the~~

~~"Receiver")"), without security, of all of the undertaking, property and assets of [DEBTOR]assets, undertakings and properties of Pembroke Residence Ltd. (the "Debtor").~~

(B) B. Pursuant to an ~~Order~~Orders of the Court dated [DATE], ~~January 8, 2015 and March 3, 2015,~~ the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the ~~"Sale Agreement"~~) between the Receiver [Debtor] and [NAME OF PURCHASER] (the ~~"~~, as vendor, and Kevin Sit Investments Inc. (the **"Purchaser"**)), as purchaser, dated December 3, 2014 (the **"Sale Agreement"**), and provided for the vesting in the Purchaser, or as it may direct, of all of the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the ~~Purchase Price~~purchase price for the Purchased Assets; (ii) that the conditions to ~~Closing~~closing as set out in section ~~●~~ of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the ~~Transaction~~transaction has been completed to the satisfaction of the Receiver.

(C) C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. 1. The Purchaser has paid and the Receiver has received the ~~Purchase Price~~purchase price for the Purchased Assets payable on the ~~Closing Date~~closing date pursuant to the Sale Agreement;

2. 2. The conditions to ~~Closing~~closing as set out in section ~~●~~ of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; ~~and~~

3. 3. The Transaction~~transaction~~ has been completed to the satisfaction of the Receiver; and

4. 4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

5.

~~[NAME OF RECEIVER]~~, A. FARBER & PARTNERS INC., solely in its ~~capacity~~capacities as ~~Receiver of the undertaking, property~~ the Court-appointed receiver and manager of all of the assets of [DEBTOR], undertakings and not in its personal capacity properties of Pembroke Residence Ltd.

Per: _____

Name:

Title:

SCHEDULE "B"
LEGAL DESCRIPTION OF PROPERTY

Schedule B — Purchased Assets

	<u>PIN</u>	<u>Legal Description</u>
1.	<u>21100-0139(LT)</u>	<u>Lot 46, Plan 150 (Toronto); Pt Lot 45, Plan 150 (Toronto) as in CA270989; T/W & S/T CA270989; City of Toronto</u>

SCHEDULE "C"
INSTRUMENTS TO BE DELETED FROM TITLE TO PROPERTY

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

1. Instrument No. CA270989 being a Transfer under power of sale in favour of Pembroke Residence Ltd. dated April 5, 1994.
2. Instrument No. AT2564950 being a Notice of Change of Address re Ontario Wealth Management Corporation registered November 30, 2010.
3. Instrument No. AT2605347, being a Charge in favour of 1280584 Ontario Inc. registered January 25, 2011.
4. Instrument No. AT3193489, being a Charge in favour of Hands-On Capital Investments Inc. registered December 7, 2012.
5. Instrument No. AT3264628, being a Charge in favour of Kevin Sit Investments Inc. registered March 27, 2013.
6. Instrument No. AT3264647, being a Notice of Assignment of Rents (General) in favour of Kevin Sit Investments Inc. registered March 27, 2013.
7. Instrument No. AT3264648, being a Notice in favour of Hands-On Capital Investments Inc. registered March 27, 2013.
8. Instrument No. AT3266117, being a Postponement by 1280584 Ontario Inc. in favour of Hands-On Capital Investments Inc. registered March 28, 2013.
9. Instrument No. AT3266118, being a Postponement by 1280584 Ontario Inc. in favour of Kevin Sit Investments Inc. registered March 28, 2013.
10. Instrument No. AT3318304, being a Charge in favour of Hands-On Capital Investments Inc. registered June 6, 2013.
11. Instrument No. AT3650276, being a Notice of Security Interest in favour of Indcom Leasing Inc. registered July 31, 2014.
12. Instrument No. AT3719108, being a Notice of an equitable mortgage in favour of Bahia Mar Capital Ventures Inc., registered October 22, 2014.

~~Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants~~
~~related to the Real Property~~ SCHEDULE "D"
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS
(unaffected by the Vesting Order)

21765186.1

1. Plan 63BA821 being a Boundaries Act Plan filed May 3, 1976.

HANDS-ON CAPITAL INVESTMENTS INC.

- and -

PEMBROKE RESIDENCE LTD.

Applicant

Respondent

Court File No. CV-14-10614-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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Lawyers for A. Farber & Partners Inc. in its capacity as the
Court-appointed receiver and manager of Pembroke Residences Ltd.

Document comparison by Workshare Compare on February-18-15 3:30:46 PM

Input:	
Document 1 ID	interwovenSite://AB-WS1/cm/21765186/1
Description	#21765186v1<cm> - Model Approval and Vesting Order amended Jan 21 2014
Document 2 ID	interwovenSite://ab-ws1/cm/21748927/2
Description	#21748927v2<cm> - Approval and Vesting Order (Pembroke)
Rendering set	Standard

Legend:	
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Deletion	
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<u>Moved to</u>	
Style change	
Format change	
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Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
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Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	273

TAB 2

Court File No. CV-14-10614-00CL

Estate No. 31-457823

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND**

**IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O.
1990 c. C.43, AS AMENDED WITH RESPECT TO PEMBROKE RESIDENCE LTD.
OPERATING AS KNIGHTS INN TORONTO**

**A. FARBER & PARTNERS INC.
COURT APPOINTED RECEIVER**

THIRD REPORT OF THE RECEIVER

FEBRUARY 19, 2015

1. INTRODUCTION

1. By Order of the Honourable Mr. Justice Newbould dated October 17, 2014, A. Farber & Partners Inc. ("**Farber**") was appointed receiver ("**Receiver**") of all of the assets undertakings and properties of Pembroke Residence Ltd. o/a Knights Inn Toronto ("**Pembroke**"). The Court Order, hereinafter referred to as the "**Appointment Order**", is attached hereto as **Appendix "A"**.
2. Pembroke carried on business as a hotel under the banner of the Hotel Knights Inn Toronto (the "**Hotel**"), a Wyndham Hotel Group affiliate, pursuant to a franchise agreement dated March 2, 2012 (the "**Franchise Agreement**") between Knights Inn Canada Franchise Systems Limited ("**KICFSL**") and Pembroke. It is understood that KICFSL assigned its rights with respect to the Franchise Agreement to the Wyndham Hotel Group Canada ULC (the "**Franchisor**") at some unknown date prior to Pembroke receivership.
3. Pembroke owned all property located at 117 Pembroke Street, Toronto, Ontario at which the Hotel operated, which was inclusive of, but not exclusive to, the land, building, facilities and chattels used in the Hotel's business (collectively, the "**Property**").
4. In addition to providing for the appointment of the Receiver, the Appointment Order provided for, *inter alia*,
 - a. the approval of the Initial Sales Process, as defined in Section 4 of the Receiver's First Report to Court (the "**First Report**");
 - b. a first charge on the Property in favour of the Receiver and counsel to the Receiver for reasonable fees and disbursements (the "**Receiver's Charge**"), in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, as security for such fees and disbursements, 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 *Bankruptcy and Insolvency Act* (the “**BIA**”);

- c. the authorization to borrow by way of a revolving credit or otherwise up to a principal amount of \$75,000 (the “**Receiver’s Borrowings**”), for which the Property is 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; and,
 - d. direction to enter in to the Management Services Agreement with IM Hospitality Inc. (the “**Manager**”).
5. The Hotel has been operated by the Manager since October 17, 2014 (the “**Appointment Date**”), and under the supervision of the Receiver. Further actions taken by the Manager and Receiver since the Appointment Date are described in greater detail throughout this Third Report to Court by the Receiver (the “**Third Report**”) and in previous reports to Court by the Receiver.
6. On December 19, 2014, the Receiver submitted its Second Report to Court (the “**Second Report**”) seeking, among other things, approval of
- a. the agreement of purchase and sale entered into by the Receiver for the Property (the “**Pembroke APS**”) with Kevin Sit Investments (“**KSI**”), dated December 3, 2014, which was intended to be a stalking horse sale agreement, and
 - b. the proposed stalking horse marketing and sales process for the Property of Pembroke (the “**Sales Process**”) as a revision of the Initial Sales Process.

7. On January 8, 2015, the Honourable Justice Conway issued an Order of Court (the “**Sales Process Approval Order**”), a copy of which is attached hereto as **Appendix “B”**, which provided for, *inter alia*,
 - a. The authorization and direction for the Receiver to enter into the agreement to sell the Property to KSI, substantially in accordance with the the Pembroke APS (the “**Stalking Horse Bid**”);
 - b. The completion of the sale of the Property to be conditional upon the Receiver not receiving a bid from a purchaser other than KSI on or before 5:00 p.m. (Toronto time) on February 10, 2015 (the “**Bid Deadline**”) that the Receiver considers, in its sole discretion, to be superior to the Stalking Horse Bid;
 - c. The approval of the Sales Process, as set out in Section 6 of the Sales Process Approval Order; and,
 - d. The approval of the Second Report and the activities of the Receiver described therein.

2. PURPOSE OF REPORT

8. The purpose of this Third Report is to report to the Court on the activities of the Receiver since the filing of the Receiver’s Second Report and to support the Receiver’s request for Orders:
 - a. approving the Third Report and the actions and activities detailed herein;
 - b. approving the sales transaction pending closing and vesting the Property in and to KSI free and clear of any and all prior encumbrances;
 - c. approving the Receiver’s first interim statement of receipts and disbursements (the “**Receiver’s First SRD**”) for the period from October 17, 2014 to January 31, 2015;

- d. authorizing the Receiver to make an interim distribution (the “**First Distribution**”) following completion of the closing of the transaction contemplated by the Pembroke APS and filing a Receiver’s Certificate confirming that the transaction has been completed as contemplated;
- e. approving the professional fees and disbursements of the Receiver and its legal counsel to January 31, 2015; and,
- f. such further and other relief as this Honourable Court may deem just.

3. DISCLAIMER

- 9. In preparing this Third Report, the Receiver has relied upon certain unaudited, draft and/or internal financial information, the Debtor’s books and records, discussions with the Manager and Hotel Employees, and information from other third party sources (collectively, the “**Information**”). The Receiver assumes no responsibility or liability for loss or damage occasioned by any party as a result of the circulation, publication, re-production or use of this Third Report or for any use which any party makes of this Third Report, or any reliance on, or a decision to be made, based upon it, other than for the express purposes set out in this Third Report.
- 10. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

4. RECEIVER’S ACTIVITIES

- 11. Since the date of the Second Report, being December 23, 2014, the Receiver’s activities have included, among other things:
 - a. Overseeing and monitoring the day-to-day business operations of the Hotel with the assistance and operational support of the Manager;
 - b. Coordinating minor repairs and improvements to the Property, on an as required basis, as determined by the Receiver and in consultation with the Manager, with a view to preserving the value of the Property and Hotel as a going concern;

- c. Coordinating Receiver's Borrowings, property tax and debt service payments where cash flow permits and liaising with mortgagees, as appropriate;
 - d. Coordinating the Sales Process, as previously approved by this Honourable Court;
 - e. Corresponding with Pembroke's creditors by telephone and email;
 - f. Evaluating claims of various creditors, including claims for indebtedness to the Canada Revenue Agency (the "**CRA**") for payroll source deductions (the "**Source Deductions**") and harmonized sales taxes ("**HST**") incurred prior to the Appointment Date by Pembroke;
 - g. Drafting the Receiver's First SRD; and,
 - h. By authority of Subsection 2(r) of the Appointment Order, executing an assignment into bankruptcy on behalf of Pembroke.
12. Further to paragraph 11(h) of the Third Report, on February 18, 2015, the Receiver assigned Pembroke into bankruptcy and Farber is expecting to be appointed as trustee in bankruptcy (the "**Trustee**") by the Office of the Superintendent of Bankruptcy. Copies of the Statement of Affairs and the Assignment filed with the Official Receiver are attached hereto as **Appendix "C"**.

5. STALKING HORSE SALES PROCESS AND THE PEMBROKE APS

13. As a result various discussions and negotiations through the period between the Appointment Date and December 2014, the Receiver negotiated the Pembroke APS for the sale of the Property to KSI, with KSI acting as the Stalking Horse Bid in respect of the Sales Process. KSI is the second mortgagee to the real property upon which the Hotel operates and a secured creditor of Pembroke.
14. Pursuant to the Sales Process Approval Order, this Honourable Court approved the Pembroke APS subject to the Receiver conducting the Sales Process described below. The Pembroke APS provides for KSI to acquire substantially all of the right, title and interest of Pembroke in all the property, assets, and undertaking of Pembroke

wherever situated, including, but not necessarily limited to, the real property known as 117 Pembroke Avenue, Toronto, Ontario, and all chattels, personal property, equipment, inventory, contracts, rights, intellectual property and all other assets used in conjunction with, or as part of, the operation of the Hotel business operated by Pembroke (collectively, the “**Purchased Assets**”).

15. The Pembroke APS provided for a purchase price of \$4.5 million, subject to the adjustments set out in section 3.2 of the Pembroke APS, plus applicable taxes (hereinafter the “**Purchase Price**”). A copy of the Pembroke APS is attached hereto as **Appendix “D”**.

Pembroke Stalking Horse Marketing & Sales Process

16. On January 8, 2015, the Honourable Court granted an Order approving the Sales Process as described in the Pembroke APS. The Sales Process Approval Order found at Appendix B hereto approved the Sales Process and attached as a schedule thereto the Sales Process.
17. The Sales Process included the following marketing activities undertaken by the Receiver:
 - a. advertising the sale of the Purchased Assets of Pembroke in the “Toronto Star” and “The Globe and Mail” (National Edition) newspapers on January 13 and 14, 2015, respectively;
 - b. compiling a prospective purchaser distribution list identifying 101 prospective purchasers (the “**Distribution List**”);
 - c. providing the Distribution List with a brief summary of the opportunity and a confidentiality agreement (“**CA**”);
 - d. creating an electronic data room with information reasonably required by prospective purchasers to consider submitting an offer for Pembroke. The electronic data room contained a Confidential Information Memorandum and other pertinent financial information regarding Pembroke’s Hotel operations

and financial results, including the Pembroke APS, for prospective purchasers to review;

- e. providing 15 prospective purchasers who executed a CA with access to the electronic data room; and
- f. facilitating due diligence efforts of prospective purchasers including responding to all queries, arranging site visits for 4 prospective purchasers, where applicable, and regular follow up with prospective purchasers to determine their interest in the opportunity.

- 18. The Bid Deadline for the submission of offers was 5:00 p.m. E.S.T. on February 10, 2015.
- 19. Notwithstanding the extensive marketing efforts conducted by the Receiver as part of the Sales Process, no competing offers to the Pembroke APS were received on or before the Bid Deadline.
- 20. The Receiver is of the view that the Sales Process has been administered fairly and in good faith, in a manner consistent with other approved solicitation processes in insolvency filings, and that it was designed and has been executed in a manner that exposed the bid opportunity to a broad range of prospective purchasers with a view to securing the highest and best offers from potentially interested parties.
- 21. Accordingly, the Receiver requests the approval of the Court to enter into the transaction as contemplated by the Pembroke APS.

6. PROPOSED DISTRIBUTION

- 22. The Receiver is seeking the approval of this Honourable Court for the proposed First Distribution of funds from the realization of the Property of Pembroke. The Receiver's reasoning for various parties to be receiving funds in respect of the First Distribution is elaborated on in the following sections.

CRA – Indebtedness and Payroll Deemed Trust

23. On October 23, 2014, the CRA attended at the Hotel to review Pembroke's books and records and complete a trust audit of Pembroke's Source Deductions account for the period beginning January 1, 2013 and ending on the Appointment Date.
24. On November 19, 2014, the CRA provided written confirmation by way of facsimile transmission of the Source Deductions amounts owing by Pembroke which are trust funds and form no part of the property, business or estate of Pembroke in receivership pursuant to subsection 227(4) of the *Income Tax Act*, subsection 23(3) of the *Canada Pension Plan*, subsection 57(2) of the *Unemployment Insurance Act*, and/or subsection 86(2) of the *Employment Insurance Act* (the "**Payroll Deemed Trust**"). The sum total of the Payroll Deemed Trust claim asserted by the CRA is \$28,069.70. A copy of the aforementioned written confirmation from CRA is attached hereto as **Appendix "E"**.
25. The Receiver is seeking approval of this Honourable Court for payment of the Payroll Deemed Trust amount identified above and as per the proposed First Distribution.
26. The Receiver notes that the CRA provided written confirmation by way of facsimile transmission of the HST amounts owing by Pembroke for account number 88832 6170 RT0001 as at the Appointment Date (the "**RT0001 Account**"). A copy of the the aforementioned written confirmation from CRA is attached hereto as **Appendix "F"**.
27. Further to paragraph 11(h) of this Third Report, the Receiver assigned Pembroke into bankruptcy. Accordingly, it is the understanding of the Receiver that the principal amount owing by Pembroke in respect of the RT0001 Account, which would otherwise be an amount deemed to be held in trust by Pembroke, is rendered as an unsecured liability by virtue of the bankruptcy filing.
28. Following the Appointment Date, the Receiver made a request of the CRA to open a post-receivership HST account under the account number 88832 6170 RT0002 (the "**RT0002 Account**"). The Receiver shall continue to collect and remit HST, as

applicable, in respect of the RT0002 Account up to the conclusion of the receivership administration and the closing of the RT0002 Account.

Receiver's Borrowings

29. As noted above, the Receiver was authorized by this Honourable Court for Receiver's Borrowings of up to \$75,000. On October 23, 2014, the Receiver issued a Receiver's Certificate for the principal amount of \$25,000 borrowed from HOC. On November 27, 2014, the Receiver issued a second Receiver's Certificate for the principal amount of \$35,000 borrowed from HOC. Copies of both aforementioned Receiver's Certificates are attached hereto as **Appendix "G"**.
30. The Receiver is seeking approval of this Honourable Court for payment of the Receiver's Borrowings, being the principal amount of \$60,000, plus applicable interest and charges accrued, and as per the proposed First Distribution.

Receiver's Fees and Disbursements

31. Pursuant to Section 19 of the Appointment Order, the Receiver and its legal counsel are required to pass their accounts from time to time. The Receiver and its legal counsel have maintained and detailed records of their time and costs since the receivership was granted.
32. The Receiver has incurred fees and expenses of \$105,808.70, inclusive of HST, up to January 31, 2015. A copy of the detailed billings of the Receiver, supported by the Affidavit sworn by Noah Litwack, is attached hereto as **Appendix "H"**.
33. The Receiver's legal counsel, Aird & Berlis LLP, has incurred fees and expenses of \$55,233.84 up to January 31, 2015. A copy of the detailed billings of Aird & Berlis LLP, supported by the Affidavit sworn by Jeremy Nemers, is attached hereto as **Appendix "I"**.

34. The Receiver respectfully requests that this Honourable Court approve its fees and disbursements, and those of its legal counsel, as filed and approves of the payment of same per the First Distribution.

Hands On Capital Investments Inc. – Indebtedness and Security

35. In preparation for this motion, the Receiver requested Hands-On Capital Investments Inc. (“**HOC**”) confirm its loan position as first mortgagee effective February 28, 2015 in respect of Pembroke.
36. The Receiver and its legal counsel have reviewed the material provided by HOC and conclude that HOC’s loan position inclusive of accrued interest and costs totals \$4,391,077.23 as of February 28, 2015.
37. The Receiver has obtained a legal opinion from its independent counsel, Aird & Berlis LLP (“**A&B**”), that subject to the customary assumptions and qualifications, the security interest of HOC over the Property, inclusive of all operating business assets of Pembroke, is valid in accordance with the terms of the security agreement and mortgage in place. A copy of the A&B security opinion dated February 13, 2015 is attached hereto as **Appendix “J”**.
38. The Receiver contemplates making an interim distribution to HOC upon completion of the transaction contemplated in the Pembroke APS and subsequent to the Receiver filing a receiver’s certificate with the Court (the “**Receiver’s Certificate**”) confirming that the transaction has closed and the funds have been received as contemplated.
39. The Receiver wishes to curtail the daily accrual of interest owed by Pembroke and is requesting approval of the Court to make a distribution to HOC up to the amount of \$4,391,077.23, plus any interest, fees and other amounts accruing after February 28, 2015 and up to the date of the First Distribution.

7. INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 40. Attached hereto as **Appendix "K"** is a copy of the Receiver's First SRD prepared by the Receiver for the period ending January 31, 2015.
- 41. The reconciled cash balance on hand for Pembroke, which is not inclusive of the deposit paid by KSI pursuant to the Pembroke APS, effective January 31, 2015 is \$28,247.24.

8. RECOMMENDATION

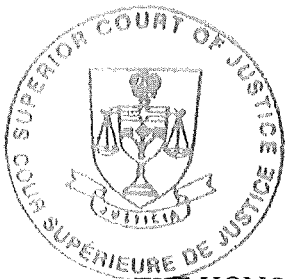
- 42. The Receiver respectfully recommends that this Court grant an order for the relief requested in Section 2 hereof.

A. FARBER & PARTNERS INC.

**In its capacity as Receiver of Pembroke Residence Ltd.
and not in its personal capacity**

A. Farber & Partners Inc.

Tab A



Court File No. 14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR

)

FRIDAY, THE 17TH DAY

)

JUSTICE NEWBOULD

)

OF OCTOBER, 2014

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD.

Respondent

RECEIVERSHIP ORDER

THIS APPLICATION made by Hands-On Capital Investments Inc. ("**Hands-On**") 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 A. Farber & Partners Inc. ("**Farber**") as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Pembroke Residence Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Respondent's consent to the Receivership Order, the Application Record of Hands-On including the Notice of Application and the Affidavit of Iqbal Moledina sworn July 3, 2014, the First Report of the Proposed Receiver (the "**First Report**") and the consent of Farber to act as the Receiver,

APPOINTMENT

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

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor, including, but not limited to, any agreement of purchase and sale entered into by the Debtor in respect of all or part of the Property;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise

of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, with the approval of this Court, and in such case notice under subsection 63(4) of the Ontario Personal Property Security Act, or section 31 of the Ontario Mortgages

Act, as the case may be, shall not be required, and in each case the Ontario Bulk Sales Act shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (r) to make an assignment into bankruptcy on behalf of the Debtor;
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

And in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below),

including the Debtor, and without interference from any other Person.

3. **THIS COURT ORDERS** that the Receiver is authorized and directed to enter into a Management Services Agreement with IM Hospitality Inc. (the "**Manager**"), substantially in the form attached as Appendix A to the First Report.

4. **THIS COURT ORDERS** that the sale process described in Section 4 of the First Report is hereby approved.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the 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

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, the Manager or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on

any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the

credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated,

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$75,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://www.farberfinancial.com/insolvency-engagements/bid/390826/Pembroke-Residence-Ltd>'.

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

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 Debtor.

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

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

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

OCT 16 2014
NB

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____, 20__ (the "Order") made in an action having Court file number ____-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the ____ day of _____, 20__.

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

Per: _____

Name:

Title:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

and

PEMBROKE RESIDENCE LTD.

Respondent

Court File No. CV-14-10614-00CL

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

Proceedings commenced at TORONTO

RECEIVERSHIP ORDER

CHAITONS LLP
Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Maya Poliak
LSUC Registration No. 54100A
Tel: (416) 218-1161
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Lawyers for the Applicant

Tab B

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THURSDAY, THE 8TH DAY
)
JUSTICE CONWAY) OF JANUARY, 2015

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD..

Respondent

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

ORDER

THIS MOTION, made by A. Farber & Partners Inc. ("**Farber**"), in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of all the assets, undertakings and properties (collectively, the "**Property**") of Pembroke Residence Ltd. (the "**Debtor**"), for an order, amongst other things, approving the report of the Receiver dated December 19, 2014 (the "**Second Report**") and the stalking horse bid process outlined therein, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and the appendices thereto, and on hearing the submissions of counsel for the Receiver and Kevin Sit Investments Inc. ("**KSI**"), no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Paula Hoosain sworn December 23, 2014, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Second Report and the activities of the Receiver described therein be and are hereby approved.

3. **THIS COURT ORDERS** that **Appendix "H"** to the Second Report be and is hereby sealed until further Order of this Court.

4. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to enter into an agreement to sell the Debtor's Property to KSI, substantially in accordance with the Agreement of Purchase and Sale attached as **Appendix "F"** to the Second Report (the "**Stalking Horse Bid**"), subject to the terms of this Order.

5. **THIS COURT ORDERS** that the completion of the sale contemplated in paragraph 4 of this Order shall be conditional upon the Receiver not receiving a bid from a purchaser other than KSI on or before 5:00 p.m. (Toronto time) on February 10, 2015 (the "**Bid Deadline**") that the Receiver considers, in its sole discretion, to be superior to the Stalking Horse Bid, and which must:

- (a) be accompanied by a duly executed agreement of purchase and sale, blacklined against the Stalking Horse Bid, showing any and all variations from the Stalking Horse Bid, and a deposit in the amount equal to at least 10% of the aggregate purchase price under the subject competing bid by way of bank draft or certified cheque payable pursuant to the terms of the subject competing bid and which is not subject to any encumbrances;
- (b) remain open for acceptance and completion until 3:00 p.m. (Toronto time) on February 19, 2015;
- (c) be on terms no less favourable and no more burdensome or conditional than the terms of the Stalking Horse Bid;

- (d) not contain any contingency relating to due diligence or financing or any other material conditions precedent to the subject bidder's obligation to close that are not otherwise contained in the Stalking Horse Bid;
- (e) specify the assets that are subject to the subject competing bid, including, without limitation, any executory contracts and unexpired leases;
- (f) be made by one or more bidders who can demonstrate the financial ability to consummate the transaction contemplated by the competing bid on the terms specified therein; and
- (g) contain, among other things, an aggregate purchase price at least equal to the Stalking Horse Bid, plus the Break-Up Fee (as such term is defined in the Stalking Horse Bid) and an additional sum of \$50,000.00.

Every bid which meets the requirements above will be a "**Competing Bid**" and each person who submits a Competing Bid will be a "**Competing Bidder**".

6. **THIS COURT ORDERS** that the marketing and sale process (the "**Sale Process**") with respect to any or all of the Property be and is hereby approved as follows:

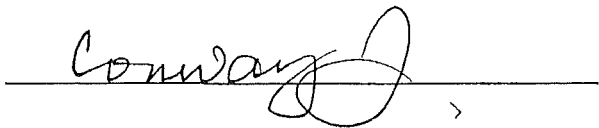
- (a) the Receiver shall solicit potential purchasers by:
 - (i) sending out a teaser letter to parties in the same industry as the Debtor, and to other potential purchasers as identified by the Receiver, or as soon as reasonably practicable after the issuance of this Order;
 - (ii) placing an advertisement in the Globe & Mail (National Edition) within five (5) business days of the issuance of this Order; and
 - (iii) providing to any potential purchasers who execute a confidentiality agreement on terms satisfactory to the Receiver: (1) access to an electronic data room containing information reasonably required by prospective purchasers of the Debtor's Property to consider submitting a Competing

Bid and facilitate the conduct of due diligence by prospective purchasers;
and (2) an electronic copy of the Stalking Horse Bid;

- (b) any interested purchaser shall submit a formal offer to purchase the Property in the form of an asset purchase agreement (with a copy blacklined against the Stalking Horse Bid), which includes the Terms and Conditions attached hereto as **Schedule "A"**, and an aggregate purchase price at least equal to the Stalking Horse Bid, plus the Break-Up Fee (as such term is defined in the Stalking Horse Bid) and an additional sum of \$50,000.00, and a deposit equal to at least 10% of the aggregate purchase price under the subject bid by way of bank draft or certified cheque payable to the Receiver on or before the Bid Deadline;
- (c) the Receiver shall review any formal bids received by the Bid Deadline and determine if there are one or more Competing Bids;
- (d) if there is no Competing Bid, the Receiver shall bring a motion as soon as reasonably possible thereafter for approval of the Stalking Horse Bid and an order to vest the Debtor's Property in KSI and proceed with closing the transaction forthwith;
- (e) if there is only one Competing Bid, the Receiver shall bring a motion as soon as reasonably possible thereafter for approval of the Competing Bid and an order to vest the Debtor's Property in the Competing Bidder, proceed with closing the transaction forthwith and distribute the Break-Up Fee (as such term is defined in the Stalking Horse Bid) from the proceeds of the transaction to KSI;
- (f) if there is more than one Competing Bid, the Receiver shall send out invitations on or before 10:00 a.m. (Toronto time) on February 13, 2015, or as reasonably practicable, to all Competing Bidders who have submitted a Competing Bid, but not to KSI, inviting the Competing Bidders to attend an auction (the "Auction") to be conducted by the Receiver at 10:00 a.m. (Toronto time) on February 18, 2015, at the offices of the Receiver, or otherwise as may be determined by the

Receiver, in its sole discretion, together with a set of rules for the conduct of the Auction, and a copy of the most favourable Competing Bid (the "**Lead Bid**"); and

- (i) the Receiver shall conduct the Auction by soliciting bids, starting at a minimum of \$50,000.00 increments above the amount of the Lead Bid, for which each bid must exceed the aggregate purchase price payable pursuant to the preceding bid by no less than \$50,000.00 and for which all consideration in excess of the amount set forth in the Lead Bid must be comprised only of cash consideration;
- (ii) the Receiver may establish such timelines and protocols for the Auction as it considers appropriate, in its discretion, which will not be inconsistent with the terms of this Order;
- (iii) the "**Winning Bidder**" shall be: (1) if there are no bids at the auction, the person with the Lead Bid; or (2) the bidder with the highest qualified bid at the Auction;
- (iv) upon acceptance of the bid of the Winning Bidder, there shall be a binding agreement of purchase and sale between the Winning Bidder and the Receiver; and
- (v) the Receiver shall make a motion to this Court, forthwith, to obtain an order to approve the agreement with the Winning Bidder and to vest the Debtor's property in the Winning Bidder, proceed with closing the transaction forthwith and distribute the Break-Up Fee (as such term is defined in the Stalking Horse Bid) from the proceeds of the transaction to KSI.

A handwritten signature in cursive script, appearing to read 'Conway', is written over a horizontal line.

SCHEDULE "A"

TERMS AND CONDITIONS OF SALE

1. THE VENDOR

1.1 A. Farber & Partners Inc. solely in its capacity as the Court-appointed receiver (the "Receiver" and/or the "Vendor"), without security, of all the assets, undertakings and properties (collectively, the "Assets") of Pembroke Residence Ltd. (the "Company"), is offering for sale by bid and auction all of the Assets. A list of the Assets for sale is outlined on Schedule "A" attached hereto.

1.2 The Receiver has obtained an Order of the Ontario Superior Court of Justice (Commercial List) dated January 8, 2015 (collectively, the "Stalking Horse Order") which sets out, *inter alia*, the terms, conditions of sale and a timetable for bidding and an auction with respect to the purchase and sale of the Assets (the "Sale Process"), as further outlined below (a copy of the Stalking Horse Order is attached hereto as Schedule "B").

2. THE SALE PROCESS

2.1 The Stalking Horse Order recognizes the initial bid from Kevin Sit Investments Inc. ("KSI"). The initial bid by KSI is contained in an Agreement of Purchase and Sale dated as of December 3, 2014, executed by the Receiver and KSI (the "Agreement of Purchase and Sale") (a copy of the Agreement of Purchase and Sale is attached hereto as Schedule "C") as a baseline or "stalking horse bid" (the "Stalking Horse Bid"), in the amount of \$4,500,000.00, subject to adjustment, as further provided in the Agreement of Purchase and Sale, plus any and all retail sales taxes (including any goods and services taxes) and all other transfer taxes, duties or other like charges payable upon or in connection with the subject transaction (collectively, the "Taxes").

2.2 The Stalking Horse Order provides for, *inter alia*, the marketing and sale of the Assets by the Receiver and a competitive bidding and auction procedure, to be administered by the Receiver, in order to determine if a materially higher price (compared to the Stalking Horse Bid) can be obtained for the sale of the Assets.

2.3 In consideration for KSI's expenditure of time and money in acting as the initial bidder in the Stalking Horse Bid and the preparation of the Agreement of Purchase and Sale, and in performing due diligence pursuant to the Agreement of Purchase and Sale, the Stalking Horse Order provides for liquidated damages in the amount of \$250,000.00 (the "Break-Up Fee"), payable by the Vendor to KSI in the event that a materially higher offer than the offer advanced by KSI pursuant to the Stalking Horse Bid is obtained for the Assets through the Sale Process and, as a consequence, the Vendor sells all, or substantially all of the Assets to a person or entity other than KSI.

2.4 In addition, the Stalking Horse Order provides that in order to be accepted by the Receiver, any competing bid ("Competing Bid(s)") for the Assets must be on substantially the same terms and conditions as those terms and conditions contained in the Agreement of Purchase

and Sale, except with respect to price (any Competing Bid(s) that are accepted by the Vendor as superior bid(s) to the Stalking Horse Bid are referred to herein as the "**Superior Bid(s)**").

2.5 In order for any Competing Bid to be accepted by the Receiver as a Superior Bid to the Stalking Horse Bid, the Competing Bid must meet all of the following minimum criteria:

- (a) the Competing Bid must be accompanied by a duly executed agreement of purchase and sale, blacklined against the Stalking Horse Bid, showing any and all variations from the Stalking Horse Bid, and a deposit in the amount equal to at least 10% of the aggregate purchase price under the subject competing bid by way of bank draft or certified cheque payable pursuant to the terms of the subject competing bid and which is not subject to any encumbrances;
- (b) the Competing Bid must remain open for acceptance and completion until 3:00 p.m. (Toronto time) on February 19, 2015;
- (c) the Competing Bid must be on terms no less favourable and no more burdensome or conditional than the terms of the Stalking Horse Bid;
- (d) the Competing Bid must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the subject bidder's obligation to close that are not otherwise contained in the Stalking Horse Bid;
- (e) the Competing Bid must specify the assets that are subject to the subject competing bid, including, without limitation, any executory contracts and unexpired leases;
- (f) the Competing Bid must be made by one or more bidders who can demonstrate the financial ability to consummate the transaction contemplated by the competing bid on the terms specified therein; and
- (g) the Competing Bid must contain, among other things, an aggregate purchase price at least equal to the Stalking Horse Bid, plus the Break-Up Fee and an additional sum of \$50,000.00.

3. COMPETING BID OFFERS

3.1 Sealed bids marked "DO NOT OPEN - BID – PEMBROKE RESIDENCE LTD" shall be delivered or mailed postage prepaid to A. Farber & Partners Inc., Receiver of Pembroke Residence Ltd., Attention: Hylton Levy, so as to be received by the Receiver on or before 5:00 p.m. (Toronto time) on February 10, 2015.

3.2 Every Competing Bid must be in writing and submitted in the form of an amended Agreement of Purchase and Sale, as provided herein. Any Competing Bids received by the Receiver that are not in the correct form may be rejected immediately by the Receiver, acting in its sole and unfettered discretion.

3.3 The opening of any Competing Bid(s) received by the Receiver will be conducted between February 10, 2015 and February 13, 2015, in private and in the presence of representatives of the Receiver and its solicitors.

3.4 In consideration of the Receiver receiving any Competing Bid and upon receipt by the Receiver of any such Competing Bid, the competing bidder shall not be entitled to retract, withdraw, revoke, vary or countermand its Competing Bid.

3.5 In the event that any Competing Bids received by the Receiver are on substantially the same terms, conditions and/or amounts of one another, the Receiver may, subject to the approval of the Court, call upon such competing bidders to submit further bids.

3.6 No Competing Bid may contain proposals to vary, amend or supplement these Terms and Conditions of Sale.

3.7 Any documentation or other materials provided to prospective bidders relating to the Assets have been prepared solely for the convenience of prospective bidders and is not warranted to be complete or accurate, and do not form part of these Terms and Conditions of Sale. Every bidder shall be deemed to have relied entirely on its own inspection and investigation of the Assets and the title thereto.

3.8 By submitting an offer to purchase the Assets, the bidder acknowledges that it has inspected the Assets and that the Assets are being sold on an "*as is, where is*" basis at the time of closing and that there is no representation, warranty or condition, expressed or implied, statutory or otherwise, as to title, encumbrances, description, fitness for any purpose, merchantability, quality, quantity, state, condition (environmental or otherwise), defect (patent or latent), existence, location, value, the validity or enforceability of any rights (including intellectual property rights, any requirement for licenses, permits, approvals, consents for ownership, occupation or use or compliance with any government laws, regulations, bylaws and orders or in respect of any other matter or thing whatsoever. The Assets are specifically offered, as they now exist with no adjustments to be allowed for changes in conditions, qualities or quantities of such parcels from the date hereof to the Closing Date (as the term is defined below) of the contemplated transaction. The bidder acknowledges that the Receiver is not required to inspect or count, or provide any inspection or counting, of the Assets or any part thereof and the bidder shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation. It shall be the bidder's sole responsibility to obtain, at its own expense, any consents to such transfer of the Assets and any further documents or assurances which are necessary or desirable in the circumstances.

3.9 The Receiver, at its sole and unfettered discretion, may waive or vary any or all of the terms and conditions contained hereof.

4. DEPOSIT

4.1 Competing Bids shall be stated in Canadian currency and must be accompanied by a deposit in the form of a draft of or a cheque certified by a Canadian bank payable to "A. Farber & Partners Inc., Receiver of Pembroke Residence Ltd., in trust." The deposit for any Competing Bid shall be ten percent (10%) of the aggregate purchase price payable under the

subject Competing Bid. If a Competing Bid is accepted to be the Winning Bid (as the term is defined below), the subject deposit shall be deemed to be a cash deposit and will be applied by the Vendor towards the purchase price of the Assets on closing of the contemplated transaction.

4.2 Cheques accompanying Competing Bids that are not accepted by the Receiver to be Superior Bids will be returned to the respective bidder(s) by prepaid ordinary mail addressed to the respective competing bidders at the address set out in their offers.

5. THE AUCTION PROCESS AND THE WINNING BID

5.1 If there are two or more Superior Bids that meet the above conditions, the Receiver will distribute to the makers of these Superior Bids, on or before 10:00 a.m. (Toronto time) on February 13, 2015, the following:

- (a) an invitation to an auction of the Assets to be held at 10:00 a.m. (Toronto time) on February 18, 2015 at the offices of the Receiver, or otherwise as may be determined by the Receiver, in its sole discretion (the "**Auction**");
- (b) a copy of the bid that the Receiver, acting in its sole and unfettered discretion, having regard to all of the features of the bids, believes to be the most favourable bid as between the Stalking Horse Bid and all of the Superior Bids (the "**Lead Bid**"); and
- (c) a copy of a set of rules for the conduct of the Auction, established by the Receiver, acting in its sole and unfettered discretion, with a view of maximizing the price for the Assets (the "**Auction Rules**"), provided that the Auction Rules shall in all events provide that: (i) all bids made at the Auction shall be in accordance with the terms and conditions of the Lead Bid, except for the aggregate purchase price which will be subject to improvement through bidding in the Auction; (ii) each bid made in the course of the Auction shall exceed the aggregate purchase price payable pursuant to the preceding bid (or, in the case of the first bid made at the Auction, the Lead Bid) by no less than \$50,000.00 increments, solely for the purpose of determining the successful bid at the Auction, and all amounts in excess of the amount of the Lead Bid shall be entirely comprised of cash consideration; and (iii) the highest bid received at the Auction shall be the "winning bid" (the "**Winning Bid**").

5.2 Upon acceptance of the Winning Bid at the Auction, there shall be a binding agreement of purchase and sale between the successful winning bidder (the "**Purchaser**") and the Vendor of the Assets (the "**Winning Bid Agreement**"), with respect to which the Winning Bid was accepted by the Vendor. The Winning Bid Agreement shall be constituted by:

- (a) the Stalking Horse Bid or one of the Superior Bids, as the case may be, as amended pursuant to the Auction;
- (b) these Terms and Conditions of Sale;

- (c) the amended Agreement of Purchase and Sale submitted by the Purchaser, as amended pursuant to the Auction; and
- (d) the acceptance of the Winning Bid.

5.3 The Receiver will make a motion to the Court, forthwith, to obtain an order to approve the agreement with the Purchaser and to vest the Company's property in the Purchaser. Thereafter, the Receiver will advise the Purchaser of the outcome of the said motion and proceed with closing the transaction forthwith.

5.4 Title to the Assets shall not pass to the Purchaser nor shall the Purchaser be entitled to possession of same until the purchase price and all other payments to be made by the Purchaser pursuant to the Winning Bid Agreement have been paid in full, and the Purchaser has complied with all of its covenants contained herein and in the Winning Bid Agreement, which shall have been duly executed and delivered to the Vendor.

5.5 The Vendor shall not be required to pay any commission with respect to a sale made pursuant to these Terms and Conditions of Sale.

6. CLOSING DATE

6.1 The closing of the contemplated transaction shall take place at the office of the Vendor's solicitors, Aird & Berlis LLP, at the later of February 25, 2015 or the third business day following the effective date of an Order of the Court approving the acceptance and completion of the Winning Bid (the "Closing Date").

6.2 The Vendor shall not be required to produce any abstract of title, title deed or documents or copies thereof or any evidence as to title pertaining to the Assets, other than those in its possession.

7. EVENT OF FORFEITURE

7.1 If the Purchaser fails to comply with the terms and conditions of the Winning Bid Agreement, or any of them, all deposits shall be forfeited to the Vendor on account of agreed liquidated damages, the Assets being conveyed to the Purchaser may be resold by the Vendor, and the Purchaser shall pay to the Vendor on demand: (i) an amount equal to the amount, if any, by which the purchase price under the Winning Bid Agreement exceeds the net purchase price received by the Vendor pursuant to such resale, and (ii) an amount equal to all costs and expenses incurred by the Vendor in respect of or occasioned by the Purchaser's failure to comply with the Winning Bid Agreement.

8. GENERAL

8.1 A. Farber & Partners Inc. is acting solely in its capacity as the Receiver, without security, of the assets, undertakings and properties of the Company and shall have no personal or corporate liability hereunder or from any agreement contemplated hereby or as a result of any contemplated sale.

8.2 The terms and conditions contained herein shall not merge on the closing of the transaction contemplated herein but shall survive such closing and remain in full force and effect and be binding on the Purchaser thereafter.

8.3 The terms and conditions hereunder shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

8.4 The terms and conditions contained herein shall enure to the benefit of and be binding upon the parties thereto and their permitted heirs, executors, administrators, successors or assigns, as the case may be.

8.5 Unless otherwise provided herein, any tender of documents or money hereunder may be made upon the Vendor or the Purchaser, or their respective solicitors. Money may be tendered by cheque certified by a Canadian chartered bank, Canadian trust company or by bank draft.

8.6 The obligations of the Vendor to complete any agreement contemplated herein or hereby shall be relieved if, on or before the closing of such sale, the Assets or any part thereof which are the subject of the sale have been removed from the control of the Vendor by any means or process, enjoined, or the Assets, or any part thereof, are redeemed, whereupon the only obligation of the Vendor shall be to return the applicable deposit, without interest, deduction costs or compensation.

8.7 The Purchaser shall not assign the Winning Bid Agreement without the Receiver's prior written approval, which approval may be granted or withheld in the Receiver's sole and unfettered discretion.

8.8 Time is of the essence of any agreement entered into pursuant to these Terms and Conditions of Sale, any rule of law or equity to the contrary notwithstanding.

8.9 The Vendor reserves its rights, subject to Court approval, to withdraw the Assets or any part thereof on or before the Closing Date if there is any actual or threatened litigation with respect to any of the Assets or if any Asset has been redeemed or is subject to any lien or encumbrance which the Vendor cannot remove and the Purchaser will not assume. The Vendor shall be under no obligation to compensate any third party in order to complete any applicable agreement and shall return the deposit to the Purchaser without interest, costs or compensation.

8.10 Unless the context otherwise requires, words importing the singular include the plural and vice versa.

8.11 The submission of a bid by a resident of the Province of Quebec will be deemed to constitute the declaration and acknowledgement by such resident that it has requested these Terms and Conditions of Sale, the form of bid referred to herein and all other documentation relating to its bid and the acceptance thereof to be drawn up in the English language.

8.12 La présentation d'une soumission par une personne résident au Québec constituera la déclaration et la reconnaissance expresse par la soumissionnaire qu'il a consenti

que ces Termes et Conditions de Vente, la formule de soumission mentionnes en ceci et tous autres documents relatifs à la soumission et a son acceptation soient rédiges en langue anglaise.

DATED at Toronto, this _____ day of _____, 2015.

A. FARBER & PARTNERS INC., in its capacity as the Court-appointed receiver , without security, of the assets, undertakings and properties of Pembroke Residence Ltd., and not in its personal capacity

Per:

Name:

Title:

Schedule "A" to the Terms and Conditions of Sale
The Assets

The Assets include all of the Company's assets, undertakings and properties of every nature and kind whatsoever used in connection with the Company's business, and wherever situate, including without limitation, the following:

- (a) the real property legally owned by the Company and municipally known as 117 Pembroke Street, Toronto, Ontario, as well as all buildings and fixtures located thereon;
- (b) all furniture, fixtures and computer equipment not subject to specific financing agreements or leases;
- (c) all goods that are held by the Company for sale (whether such goods are saleable, obsolete or damaged) in relation to Company's business, including raw materials, work in progress or materials used or consumed in such business;
- (d) all of the Company's right, title and interest in and to equipment leases with the Company which may be assumed by the Purchaser;
- (e) all trade accounts receivable and other accounts receivable;
- (f) all customer lists and lists of prospective customers and marketing and sales databases;
- (g) the benefit of all unfulfilled orders received by and in favour of the Company;
- (h) any and all goodwill and trademarks of the Company, in whatever format, and including without limitation, all registered and unregistered trademarks, trade names, brand names, service marks, logos, copyrights, certification marks, drawings, permits, internet and electronic email addresses, URLs, telephone, telex and facsimile numbers, content of websites and domain names related to or connected with the Company's business, all related software and electronic code to the extent assignable and other similar intellectual property or intangibles of the Company;
- (i) all books and records relating to the Company's business, subject to any personal or confidential information protected by the Canada *Personal Information Protection and Electronic Documents Act*;
- (j) at the sole option of the purchaser, the full benefit of all contracts and leases, etc., to which the Company is entitled in connection with its business; and
- (k) all other tangible and intangible assets and property used in connection with the Company's business.

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD.

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, Box 754
181 Bay Street
Toronto, ON M5J 2T9

D. Robb English (LSUC # 19862F)
Jeremy Nemers (LSUC # 66410Q)

Tel: 416.863.1500
Fax: 416.863.1515

*Solicitors for the A. Farber & Partners Inc., in its capacity as the
Court-appointed receiver of Pembroke Residence Ltd., and not in its
personal capacity*

Tab C

District of:
Division No. -
Court No.
Estate No.

-- FORM 21 --
Assignment for the General Benefit of Creditors
(Section 49 of the Act)

In the matter of the bankruptcy of
PEMBROKE RESIDENCE LTD. o/a KNIGHTS INN TORONTO
of the City of Toronto, in the Province of Ontario

This indenture made this 18th day of February 2015

between
PEMBROKE RESIDENCE LTD.

117 Pembroke Street
Toronto ON M5A 2Z9
hereinafter called "the debtor"

and
A. Farber & Partners Inc.
hereinafter called "the trustee."

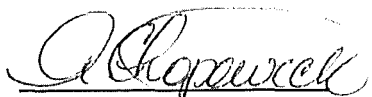
☐ Natural person

☒ Corporate or other legal entity

Whereas the debtor is insolvent and desires to assign and to abandon all his/her property for distribution among his/her creditors, in pursuance of the Act,

This indenture witnesses that the debtor does hereby assign to the trustee all the debtor's property for the uses, intents and purposes provided by the Act.

Signed at the City of Toronto in the Province of Ontario, in the presence of Annette Chopowick.



Annette Chopowick
Witness

18-Feb-2015

Date

Receiver
OF



PEMBROKE RESIDENCE LTD.
Debtor

District of:
Division No.
Court No.
Estate No.

☒ Original ☐ Amended

-- Form 78 --

Statement of Affairs (Business Bankruptcy) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the bankruptcy of
PEMBROKE RESIDENCE LTD. o/a KNIGHTS INN TORONTO
of the City of Toronto, in the Province of Ontario

To the bankrupt:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 18th day of February 2015. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

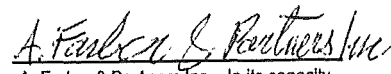
LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	378,888.87
Balance of secured claims as per list "B"	2,229,797.06
Total unsecured creditors	2,608,685.93
2. Secured creditors as per list "B"	4,536,267.78
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	28,069.70
Total liabilities	7,173,023.41
Surplus	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory	0.00
2. Trade fixtures, etc.	1.00
3. Accounts receivable and other receivables, as per list "E"	
Good	0.00
Doubtful	0.00
Bad	0.00
Estimated to produce	0.00
4. Bills of exchange, promissory note, etc., as per list "F" ..	0.00
5. Deposits in financial institutions	0.00
6. Cash	36,265.78
7. Livestock	0.00
8. Machinery, equipment and plant	0.00
9. Real property or immovable as per list "G"	4,500,000.00
10. Furniture	1.00
11. RRSs, RRIFs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	0.00
15. Other property, as per list "H"	0.00
If bankrupt is a corporation, add:	
Amount of subscribed capital	0.00
Amount paid on capital	0.00
Balance subscribed and unpaid	0.00
Estimated to produce	0.00
Total assets	4,536,267.78
Deficiency	2,636,755.63

I, A. Farber & Partners Inc. - In its capacity as Receiver of Pembroke Residence Ltd., of the City of Toronto in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 18th day of February 2015 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
before me at the City of Toronto in the Province of Ontario, on this 18th day of February 2015.


Annette Chopowick, Commissioner of Oaths
For the Province of Ontario
Expires Apr. 15, 2016


A. Farber & Partners Inc. - In its capacity
as Receiver of Pembroke Residence Ltd.

Annette Chopowick, a Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: April 15, 2016.

District of:
Division No.
Court No.
Estate No.

FORM 78 -- Continued

List "A"
Unsecured Creditors

PEMBROKE RESIDENCE LTD.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	1280584 Ontario Inc.	6-2400 Dundas St. W. Mississauga ON L5K 2R8	0.00	1,500,000.00	1,500,000.00
2	AVIVA Canada Inc. Attn: Billing Department	210 - 2206 Eglinton Avenue East Scarborough ON M1L 4S8	3,161.44	0.00	3,161.44
3	Bell Canada F-88 - Business Attn: Insolvency Department 518067854	1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3	256.29	0.00	256.29
4	Bell Canada F-88 - Business Attn: Insolvency Department 518067855	1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3	256.29	0.00	256.29
5	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insol 88832 6170 RP0001	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	21,636.30	0.00	21,636.30
6	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insol 88832 6170 RT0001	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	53,914.09	0.00	53,914.09
7	DSM Leasing Ltd.	1300 Bay Street, Suite 400 Toronto ON M5R 3K8	83,063.05	0.00	83,063.05
8	Enbridge Gas Distribution - Ontario Attn: Back Office Collections Department	PO Box 650 Scarborough ON M1K 5E3	845.02	0.00	845.02
9	Equirex Leasing Corp. Attn: Melanie Darling, Legal Department	302 - 700 Dorval Drive Oakville ON L6K 3V3	83,063.05	0.00	83,063.05
10	Ermion Wholesale Food Supplies	361 Steelcase Rd. W., Unit 9 Markham ON L3R 3V8	2,877.18	0.00	2,877.18
11	Galaxy Fire Protection	46 Donora Drive Toronto ON M4B 1B5	946.94	0.00	946.94
12	Gerson Law Firm	Madison Centre 1800-4950 Yonge Street Toronto ON M2N 6K1	9,275.34	0.00	9,275.34
13	GFL Environmental Corporation	540 Finley Avenue Ajax ON L1S 2E3	591.74	0.00	591.74
14	Hands-On Capital Investments Inc. Attn: Maya Poliak	c/o Chailons LLP 5000 Yonge Street, 10th Floor Toronto ON M2N 7E9	0.00	115,776.40	115,776.40
15	HD Supplies	70 Carson Street Etobicoke ON M8W 4Z6	791.44	0.00	791.44
16	Heartland Food Products	3300 Hwy 7, Suite 800 Vaughan ON L4K 4M3	581.15	0.00	581.15
17	Indcom Leasing	5061 Ure Street Oldcastle ON N0R 1L0	0.00	14,020.66	14,020.66
18	Kevin Sit Investments Inc.	5745 Atlantic Avenue Mississauga ON L4W 1H3	0.00	600,000.00	600,000.00
19	Knights Inn Canada	101-2904 South Sheridan Way Oakville ON L6J 7L7	3,415.15	0.00	3,415.15
20	L.A.K.E.S. Leasing Corporation	c/o Fluxgold Izsak Jaeger LLP 50 West Pearce Street, Suite 10 Richmond Hill ON L4B 1C5	31,752.42	0.00	31,752.42

18-Feb-2015

Date

A. Farber & Partners Inc.

A. Farber & Partners Inc. - In its capacity as
Receiver of Pembroke Residence Ltd.

District of:
Division No.
Court No.
Estate No.

FORM 78 -- Continued

List "A"
Unsecured Creditors

PEMBROKE RESIDENCE LTD.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
21	Martinello & Associates	208-255 Duncan Mill Rd. Toronto ON M3B 3H9	3,000.00	0.00	3,000.00
22	National Leasing Group Inc. Attn: Bankruptcy Designate	1525 Buffalo Place Winnipeg MB R3T 1L9	57,715.80	0.00	57,715.80
23	Rogers Communications Bankruptcies c/o FCT Default Solutions Attn: Insolvency Department 230-281164801	PO Box 2514 Station B London ON N6A 4G9	551.44	0.00	551.44
24	Toronto Hydro-Electric Systems Limited Attn: Josephine Pernarell / Mary Degroot	5800 Yonge St North York ON M2M 3T3	2,983.27	0.00	2,983.27
25	Victory Laundry & Linen Rental	165 Midwest Rd. Scarborough ON M1P 3A6	18,206.85	0.00	18,206.85
26	Workplace Safety and Insurance Board Attn: c/o Collection Services	200 Front St W Toronto ON M5V 3J1	4.62	0.00	4.62
Total:			378,888.87	2,229,797.06	2,608,685.93

18-Feb-2015

Date

A. Farber & Partners Inc.

A. Farber & Partners Inc. - In its capacity as
Receiver of Pembroke Residence Ltd.

District of:
Division No.
Court No.
Estate No.

FORM 78 -- Continued

List "B"
Secured Creditors

PEMBROKE RESIDENCE LTD.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	1280584 Ontario Inc.	6-2400 Dundas St. W. Mississauga ON L5K 2R8	1,500,000.00	Real Property or Immovable - Building and Land - Toronto - 117 Pembroke Street		0.00		1,500,000.00
2	A. Farber & Partners Inc. Receiver's Charge	1600-150 York Street Toronto ON M5H 3S5	200,000.00	Cash on Hand - Receiver's Bank Account Cash on Hand - Receiver's Estate Account Real Property or Immovable - Building and Land - Toronto - 117 Pembroke Street Furniture - Furniture, Fixtures and Equipment		12,245.26 24,020.52 163,734.22 0.00		
3	Hands-On Capital Investments Inc. Attn: Maya Pollak	c/o Chaitons LLP 5000 Yonge Street, 10th Floor Toronto ON M2N 7E9	4,391,077.23	Real Property or Immovable - Building and Land - Toronto - 117 Pembroke Street Cash on Hand - Receiver's Estate Account Cash on Hand - Receiver's Bank Account Furniture - Furniture, Fixtures and Equipment		4,275,299.83 0.00 0.00 1.00		115,776.40
4	IM Hospitality Inc. Attn: Maya Pollak Receiver's Borrowings	c/o Chaitons LLP 5000 Yonge Street, 10th Floor Toronto ON M2N 7E9	60,965.95	Cash on Hand - Receiver's Bank Account Cash on Hand - Receiver's Estate Account Real Property or Immovable - Building and Land - Toronto - 117 Pembroke Street Furniture - Furniture, Fixtures and Equipment		0.00 0.00 60,965.95 0.00		
5	Indcom Leasing	5061 Ure Street Oldcastle ON N0R 1L0	14,021.66	Business Assets - Trade Fixtures - Front Desk System, Electronic Door Locks and Televisions with Accessories		1.00		14,020.66
6	Kevin Sit Investments Inc.	5745 Atlantic Avenue Mississauga ON L4W 1H3	600,000.00	Real Property or Immovable - Building and Land - Toronto - 117 Pembroke Street		0.00		600,000.00
Total:			6,766,064.84			4,536,267.78	0.00	2,229,797.06

18-Feb-2015

Date

A. Farber & Partners Inc.
A. Farber & Partners Inc. - In its capacity as
Receiver of Pembroke Residence Ltd.

District of:
Division No. -
Court No.
Estate No.

FORM 78 -- Continued

List "C"
Preferred Creditors for Wages, Rent, etc.

PEMBROKE RESIDENCE LTD.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

18-Feb-2015

Date

A. Farber & Partners Inc.
A. Farber & Partners Inc. - In its capacity as
Receiver of Pembroke Residence Ltd.

District of:
Division No. -
Court No.
Estate No.

FORM 78 -- Continued

List "D"
Contingent or Other Liabilities

PEMBROKE RESIDENCE LTD.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
1	CRA - Canada Revenue Agency - Tax - Ontario Attn: c/o London Taxes Services Office Division Regional Intake Centre for Insol 88832 6170 RP0001	451 Talbot St., 3rd Floor, PO Box 5548 London ON N6A 4R3	28,069.70	0.00		Deemed Trust
Total:			28,069.70	0.00		

18-Feb-2015

Date

A. Farber & Partners Inc.
A. Farber & Partners Inc. - In its capacity as
Receiver of Pembroke Residence Ltd.

District of:
Division No.
Court No.
Estate No.

FORM 78 -- Continued

List "E"
Debts Due to the Bankrupt
PEMBROKE RESIDENCE LTD.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
Total:				0.00 0.00 0.00			0.00	

18-Feb-2015

Date

A. Farber & Partners Inc.
A. Farber & Partners Inc. - In its capacity as
Receiver of Pembroke Residence Ltd.

District of:
Division No. -
Court No.
Estate No.

FORM 78 -- Continued

List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

PEMBROKE RESIDENCE LTD.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

18-Feb-2015

Date

A. Farber & Partners Inc.
A. Farber & Partners Inc. - In its capacity as
Receiver of Pembroke Residence Ltd.

District of:
Division No.
Court No.
Estate No.

FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Bankrupt

PEMBROKE RESIDENCE LTD.

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Building and Land - Toronto - 117 Pembroke Street - Pembroke Residence Ltd.	100%	Pembroke Residence Ltd.	4,500,000.00	A. Farber & Partners Inc. 1600-150 York Street Toronto ON M5H 3S5 200,000.00 IM Hospitality Inc. c/o Chailons LLP 5000 Yonge Street, 10th Floor Toronto ON M2N 7E9 60,965.95 Hands-On Capital Investments Inc. c/o Chailons LLP 5000 Yonge Street, 10th Floor Toronto ON M2N 7E9 4,391,077.23 Kevin Sit Investments Inc. 5745 Atlantic Avenue Mississauga ON L4W 1H3 600,000.00 1280584 Ontario Inc. 6-2400 Dundas St. W. Mississauga ON L5K 2R8 1,500,000.00	0.00
Total:			4,500,000.00		0.00

18-Feb-2015

Date

A. Farber & Partners Inc.
A. Farber & Partners Inc. - In its capacity as
Receiver of Pembroke Residence Ltd.

District of:
Division No. -
Court No.
Estate No.

FORM 78 -- Concluded

List "H"
Property

PEMBROKE RESIDENCE LTD.
FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.		Front Desk System, Electronic Door Locks and Televisions with Accessories	0.00	1.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand		Cash on hand Cash on hand	24,020.52 12,245.26	24,020.52 12,245.26
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture		Furniture, Fixtures and Equipment	0.00	1.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other			0.00	0.00
			Total:	36,267.78

18-Feb-2015

Date

A. Farber & Partners Inc.
A. Farber & Partners Inc. - In its capacity as
Receiver of Pembroke Residence Ltd.

Court No.

File No.

In the matter of the bankruptcy of
PEMBROKE RESIDENCE LTD. o/a KNIGHTS INN
TORONTO
of the City of Toronto, in the Province of Ontario

Form 21(Bill C-12)
Assignment for the general benefit of creditors
Form 78 (Bill C-12)
Statement of affairs (Business bankruptcy)

A. Farber & Partners Inc. - Trustee

150 York, Suite 1600
Toronto ON M5H 3S5
Phone: (416) 497-0150 Fax: (416) 496-3839

Tab D

Agreement of Purchase and Sale

This Agreement is made as of the 3rd day of December, 2014, between

A. FARBER & PARTNERS INC. in its capacity as court-appointed receiver of Pembroke Residence Ltd., and not in its personal or corporate capacity (collectively, the "**Vendor**")

and

KEVIN SIT INVESTMENTS INC. a company existing under the laws of Ontario
(the "**Purchaser**")

RECITALS

A. **WHEREAS** pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 17, 2014 (the "**Receivership Order**"), A. Farber & Partners Inc. (the "**Receiver**") was appointed as receiver and manager of the assets, properties and undertakings of Pembroke Residence Ltd. (the "**Debtor**");

B. **AND WHEREAS** subject to the approval of the Court, the Vendor wishes to sell and the Purchaser wishes to purchase on an "as is, where is basis" all of the right, title and interest of the Vendor in the Purchased Assets (as defined below) pursuant to the terms and conditions of this Agreement; and

C. **AND WHEREAS** as part of the sales procedure contemplated herein, the Receiver shall seek an order from the Court approving this Agreement as a stalking horse bid and the procedures for marketing and selling the Purchased Assets (the "**Stalking Horse Approval Order**").

FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1 – INTERPRETATION

1.1 Definitions

In this Agreement:

- (1) **Agreement** means this agreement including any recitals and schedules to this agreement, as amended, supplemented or restated from time to time; provided that this agreement shall constitute an offer, as set out in Section 2.1, until accepted by the Vendor;
- (2) **Business Day** means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are closed in Toronto, Ontario, Canada;

- (3) **Contracts** means any written, but not oral, contracts, personal property leases, licenses from any Person, service contracts and any other similar written agreement between either of the Company or the Vendor and any Person relating in any way to the Purchased Assets, including without limitation the Franchise Agreement relating to the Hotel;
- (4) **Closing** means the completion of the Transaction;
- (5) **Closing Date** means the tenth (10th) Business Day following the date on which the Approval and Vesting Order is granted or such later or earlier date as agreed to in writing by the parties;
- (6) **Encumbrances** means all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging or creating a security interest in the Purchased Assets or any part thereof or interest therein, and any agreements, leases, options, easements, rights-of-way, restrictions, executions or other encumbrances, including notices or other registrations in respect of any of the foregoing, affecting title to the Purchased Assets or any part thereof or interest therein.;
- (7) **ETA** means the *Excise Tax Act* (Canada);
- (8) **Franchise Agreement** means the Contract between Knights Inn Canada Franchise Systems Limited and the Debtor, dated March 2, 2012;
- (9) **Governmental Authority** means any Canadian federal, provincial, state, municipal or local, or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal or judicial or arbitral body having jurisdiction over the Purchased Assets;
- (10) **Hotel** means the business carried on by the Debtor, known as the Hotel Knights Inn Toronto and operated on the Real Property, pursuant to the Franchise Agreement;
- (11) **Permitted Encumbrances** means those encumbrances set out on Schedule "B" hereto;
- (12) **Person** means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning;
- (13) **Purchased Assets** means all property, assets, and undertaking of the Debtor wherever situate, including the Real Property (as hereinafter defined);
- (14) **Real Property** means the real property legally owned by the Debtor and municipally known as 117 Pembroke Street, Toronto, Ontario, and as more particularly and legally described in Schedule "A" hereto as well as all buildings and fixtures located thereon;
- (15) **Taxes** means, other than Transfer Taxes, all taxes, assessments, charges, duties, fees, levies, imposts or other governmental charges, including, without limitation, all federal, state, local foreign and other income, environmental, add-on, minimum, franchise, profits, capital gains, capital stock, capital structure, transfer, gross receipt, use, *ad*

valorem, service, service use, lease, recording, customs, occupation, property, excise, gift, windfall profits, premium, stamp, license, payroll, social security, employment, unemployment, disability, value-added, withholding, and other taxes, assessments, charges, duties, fees, levies, imposts or other governmental charges of any kind whatsoever (whether payable directly or by withholding and whether or not requiring the filing of a return) and all estimated taxes, deficiency assessments, additions to tax, additional amounts imposed by a governmental authority (domestic or foreign), penalties, fines and interest, and shall include any liability for such amounts as a result either of being a member of a combined, consolidated, unitary or affiliated group or of a contractual obligation to indemnify any person, regardless of whether disputed;

- (16) ***Time of Closing or Closing Time*** means 2:00 p.m. (Toronto time) on the Closing Date or as otherwise determined by mutual agreement of the parties in writing;
- (17) ***Transaction*** means the transaction of purchase and sale contemplated by this Agreement;
- (18) ***Transfer Taxes*** means all present and future harmonized sales taxes and value-added taxes, and any other taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the Application for Vesting Order in connection with the transfer of the Purchased Assets.

1.2 Headings and References

The division of this Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement," "hereof," "hereunder" and similar expressions refer to this Agreement and not to any particular section, subsection or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections, subsections and further subdivisions of sections of this Agreement.

1.3 Extended Meanings

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including without limitation."

1.4 Statutory References

Each reference to an enactment is deemed to be a reference to that enactment, and to the regulations made under that enactment, as amended or re-enacted from time to time.

SECTION 2 – OFFER

2.1 Offer

Subject to satisfaction of the conditions set out in Sections 5.1, 5.2 and 5.3 hereof, this Agreement, once executed by the Purchaser and the Vendor, shall constitute a valid and binding offer to purchase by the Purchaser.

SECTION 3 – SALE AND PURCHASE

3.1 Sale and Purchase of Purchased Assets and Purchased Assets

Subject to the terms and conditions of this Agreement, including, without limitation, the payment of the Purchase Price, the Vendor shall sell to the Purchaser and the Purchaser shall purchase all of the Vendor's right, title and interest, if any, in and to the Purchased Assets, including, without limitation, the Purchased Assets, on the Closing Date free of Encumbrances other than Permitted Encumbrances. The Purchaser acknowledges that it is not purchasing any other property or assets of the Vendor other than the Purchased Assets.

The Purchaser acknowledges and agrees that certain of the Purchased Assets may be subject to or consist of one or more Contracts. It shall be the Purchaser's sole responsibility to obtain, at its own expense, any consents, approvals or any further documentation or assurances which may be required to carry out the terms of the sale of the Purchased Assets, including, without limitation, any approvals with respect to assignment of any of the assigned Contracts or any of the Purchased Assets not assignable without the consent or action of a third party or parties. The Purchaser shall indemnify and hold harmless the Vendor from and against any claims or liabilities arising under or in connection with any of the assigned Contracts for matters occurring on or after, and which relate to the period on or after the Closing Date. The Vendor shall use commercially reasonable efforts to assist the Purchaser in obtaining any necessary consents of third parties to the assignment of the assigned Contracts. Notwithstanding the foregoing, the Vendor shall have no liability to the Purchaser for non-acknowledgement by any Persons of the purported assignment by the Vendor of its right, title and interest in any such Assigned Contract, if any such Assigned Contract is not assignable by the Vendor, if any such Assigned Contract has been terminated by any Party thereto. The Vendor does not make any representation or warranty that any such Assigned Contract may be effectively assigned to the Purchaser. If reasonably required by the Purchaser, the Vendor shall assign to the Purchaser by way of an assignment in form and content satisfactory to the Vendor and its solicitors any of the Contracts that may require a specific assignment, but only to the extent that such assigned Contracts are assignable by the Vendor. The form of assignment shall not provide for or require an acknowledgement or agreement to the assignment by any other Person.

3.2 Purchase Price

- (1) The purchase price (the "**Purchase Price**") for the Purchased Assets including the Real Property, shall be allocated by the parties between the Purchased Assets prior to Closing and, shall be \$4,500,000.00, subject to any usual and ordinary adjustments, plus applicable Taxes (including HST in accordance with Section 3.3, below) and Transfer Taxes (in accordance with Section 3.5).
- (2) Any adjustments that cannot be determined on the Closing Date, including, without limitation, any ordinary course adjustments, including, but not limited to, adjustment for utilities and customer contracts that may be reasonably necessary, shall be determined by the parties as soon after the Closing Date as is reasonably possible. Any amounts payable by one party to the other, as determined by the parties, acting reasonably, shall be paid within ten (10) days of the request for such payment. Upon completion, the Vendor and the Purchaser shall exchange undertakings to re-adjust the foregoing items, if necessary,

which undertakings to readjust shall be limited to any readjustments requested within 180 days of the Closing Date or such longer period as the parties may agree.

3.3 Harmonized Sales Tax

- (1) The Purchase Price of the Purchased Assets does not include the Harmonized Sales Tax ("HST"), if any, payable by the Purchaser in respect of the purchase of the Purchased Assets pursuant to the ETA. Subject to Section 3.3(2) below, the Purchaser agrees to pay to the Vendor, on the Closing Date, as a condition of completion of the Transaction by certified cheque or bank draft, all HST payable, if any, as a result of this transaction in accordance with the Act.
- (2) Notwithstanding Section 3.3(1) above, the Vendor shall not collect HST from the Purchaser in this transaction if the Purchaser is registered under the ETA as an HST registrant and in that event, the Purchaser shall self-assess, file returns and remit such HST to the Receiver General for Canada when and to the extent required by the ETA. The Purchaser shall provide to the Vendor, on the Closing Date, a statutory declaration confirming that the Purchaser is registered under the ETA for the purposes of collecting and remitting HST, and confirming its HST registration number under the ETA, together with an indemnity in favour of the Vendor for any costs or expenses payable by the Vendor as a result of the Vendor's failure to collect HST from the Purchaser on the Closing Date, such statutory declaration and indemnity to be in a form satisfactory to the Vendor's and the Purchaser's solicitors, both acting reasonably.
- (3) The Purchaser's obligations under this Section 3.3 shall survive Closing.

3.4 Payment of Purchase Price

- (1) The Purchaser shall pay the Purchase Price as follows:
 - (a) by paying an amount equivalent to 10% of the Purchase Price at the time of submission of this offer, by certified cheque or bank draft payable to the Vendor's solicitor upon execution by the Purchaser of this Agreement, as a deposit (together with the interest earned thereon from time to time, the "Deposit"), which amount, together with all interest accrued thereon, will be held by the Vendor's solicitor pending closing and credited toward the Purchase Price on Closing unless otherwise returned to the Purchaser in accordance with Section 5.6; and
 - (b) by paying an amount equal to the balance of the Purchase Price plus applicable Taxes and Transfer Taxes, if any, on the Closing Date, by certified cheque or bank draft payable to the Vendor or as the Vendor may direct at Closing.

3.5 Legal Fees and Costs

The Purchaser shall pay its own legal costs and fees payable in connection with the Transaction, if any.

3.6 "As is, Where is"

(1) The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an "as is, where is" basis as the Purchased Assets shall exist on the Closing Date and no adjustments shall be made for any changes in the condition of the Purchased Assets. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets, as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for any particular use or purpose, merchantability, condition, assignability, value or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell same. Without limiting the generality of the foregoing: (1) any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation in any other jurisdiction do not apply hereto and have been waived by the Purchaser and (2) no representation or warranty is made with respect to the accuracy or completeness of any information provided by the Vendor and its respective officers, directors, employees, and agents, to the Purchaser in connection with this transaction. The description of the Purchased Assets contained herein is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions.

(2) The Purchaser shall have reasonable access to the Purchased Assets on reasonable notice to the Vendor for the purposes of conducting inspections and other due diligence prior to the Closing Date.

(3) The Vendor agrees to provide any authorization required to allow the Purchaser's solicitor to perform searches for the purposes of conducting due diligence prior to the Closing Date.

3.7 Employees of Pembroke Residence Ltd.

The Purchaser shall provide the Vendor of a list of employees to whom it wishes to offer employment two business days before Closing (the "**Continuing Employees**"). The employment by the Debtor of all employees employed at the Real Property other than the Continuing Employees shall be terminated prior to Closing.

SECTION 4 – REPRESENTATIONS AND WARRANTIES

4.1 Vendor's Representations.

The Vendor represents and warrants to the Purchaser that:

- (a) the Vendor was appointed as the Receiver pursuant to the Receivership Order;
- (b) the Vendor is not aware of any action or proceeding pending or threatened against it which may affect its right to convey any of the Purchased Assets or in any way restrain or prohibit the completion of the Transaction;

- (c) the Vendor is not, and at the time of Closing will not be, a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada);
- (d) the Vendor, as the Receiver for the Debtor, has right, power and authority to market any or all of the Purchased Assets for sale and, subject to the approval of the Court, to sell, convey, transfer, lease or assign the Purchased Assets in accordance with and subject to the terms and conditions of this Agreement; and
- (e) the Vendor is registered under Part IX of the ETA and the Vendor's HST number for the Debtor is 827 693 136 RT0001.

4.2 Purchaser's Representations.

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation existing under the laws of Ontario, and has full corporate power and authority to enter into and carry out this Agreement and the Transaction;
- (b) the entering into of this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party and the consummation of the Transaction have been duly authorized by all requisite corporate action;
- (c) other than the Approval and Vesting Order, no approval or consent of and no filing with or application to any Governmental Authority is required for the Purchaser to enter into this Agreement or to complete the Transaction, other than such approvals, consents, filings and applications that have been obtained or made as at the date hereof, copies of which have been provided to the Vendor;
- (d) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Closing Time, duly and validly executed and delivered by the Purchaser and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (e) the Purchaser has entered into this Agreement and will be completing the Transaction on its own account, not as an agent; and
- (f) the Purchaser is registered under Part IX of the ETA.

4.3 Survival.

The representations and warranties of the parties shall not survive Closing.

SECTION 5 – CONDITIONS TO CLOSING

5.1 Conditions - Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Time:

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true as of the Closing Time with the same effect as though made as of that time and the Vendor shall deliver to the Purchaser a certificate signed by a representative of the Vendor to that effect (provided that acceptance of such evidence and the completion of the transaction contemplated hereunder shall not be a waiver of such representations and warranties);
- (b) the Vendor shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date; and
- (c) the Vendor shall have delivered or caused to be delivered to the Purchaser each of the items listed in Section 6.2.

The foregoing conditions are for the exclusive benefit of the Purchaser.

5.2 Conditions - Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Time:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Time with the same effect as though made as of that time and the Purchaser shall deliver to the Vendor a certificate signed by a representative of the Purchaser to that effect (provided that acceptance of such evidence and the completion of the transaction contemplated hereunder shall not be a waiver of such representations and warranties);
- (b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date; and
- (c) the Purchaser shall have delivered or caused to be delivered to the Vendor each of the items listed in Section 6.3.

The foregoing conditions are for the exclusive benefit of the Vendor.

5.3 Conditions – Vendor and Purchaser

(1) Neither party shall be obligated to complete the Transaction contemplated by this Agreement unless the following conditions have been fulfilled:

- (a) immediately upon signing of this Agreement by the Vendor, the Stalking Horse Approval Order will be sought by the Vendor in form and content acceptable to

the Purchaser, which is to be obtained no later than January 15, 2015, and which will, amongst other things:

- (i) authorize the Receiver to enter into this Agreement;
 - (ii) approve and recognize this Agreement, and in particular the Purchase Price, as a baseline or "stalking horse bid"; and
 - (iii) set out the terms and conditions of a timetable for a sale process (the "**Sale Process**") with respect to the Purchased Assets, including but not limited to the Real Property which shall be substantially in the form attached as Schedule C hereof with such amendments as the Vendor and Purchaser may agree; and
 - (iv) provide for a sale approval and vesting order(s) (the "**Approval and Vesting Order**") in favour of the winning bidder;
- (b) the Vendor has obtained the Approval and Vesting Order not later than February 28, 2015 or such later date as the Vendor and Purchaser may agree to, in a form and content acceptable to the Purchaser and, as at the Closing Time, the Approval and Vesting Order shall not have been stayed, reversed or dismissed;
- (c) all necessary corporate steps and proceedings shall have been taken by the parties to permit the execution of this Agreement and performance of each of the parties' obligations hereunder;
- (d) as of the Closing Time, no order shall have been made and no motion, action or proceeding shall be pending, threatened or commenced by any person, government, Government Authority, regulatory body or agency in any jurisdiction which restrains or prevents the sale of the Purchased Assets under this Agreement or restricts, prohibits or directs the Vendor not to complete the transaction contemplated by this Agreement and no Governmental Authority shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other governmental order (whether temporary, preliminary or permanent) which is in effect and has the effect of making the transactions contemplated by this Agreement illegal or otherwise restraining or prohibiting consummation of such transactions or which would otherwise materially adversely affect or interfere with the prosecution of the Purchased Assets following Closing; and
- (e) as at the Closing Time, the Purchased Assets shall not have been removed from the control of the Vendor by any means or process (the Purchaser and the Vendor acknowledging and agreeing that if, prior to the Closing Time, the Purchased Assets are removed from the Vendor's control by government action, civil commotion or by order of the Court, or any other cause beyond the Vendor's control, then this Agreement shall automatically be terminated and the provisions of Section 5.6 hereof shall apply *mutatis mutandis*).

The foregoing conditions are for the mutual benefit of both parties and may not be waived by either party.

- (2) The Purchaser acknowledges and agrees that the Sale Process is in contemplation of determining whether one or more qualified bids can be obtained for the Purchased Assets.
- (3) The Vendor covenants that it will use commercially reasonable efforts to fulfil or cause to be fulfilled the conditions contained in Section 5.1 and Section 5.3 hereof and the Purchaser covenants to use commercially reasonable efforts to fulfil or cause to be fulfilled the conditions contained in Sections 5.2 and 5.3 hereof prior to the times specified therefor.

5.4 Break-Up Fee

- (1) In consideration for the Purchaser's expenditure of time and money in acting as the initial bidder in the stalking horse bid and the preparation and negotiation of this Agreement and subject to the terms and conditions of this Agreement and of the Stalking Horse Approval Order, upon the termination of this Agreement by the Receiver or the closing of a sale and transfer, or a series of sales and transfers, of substantially all of the Purchased Assets to one or more third parties other than the Purchaser (an "**Alternative Transaction**"), the Receiver shall pay to the Purchaser from the proceeds of an Alternative Transaction a break-up fee (the "**Break-Up Fee**") of \$250,000.
- (2) Payment of the Break-Up Fee shall be made by the Receiver upon Court approval of said payment after consummation of the Alternative Transaction. Upon payment of the Break-Up Fee to the Purchaser, the parties shall have no further obligations to the other under this Agreement.

5.5 Non-Satisfaction of Conditions

- (1) If any condition set out in Section 5.1 or Section 5.2 is not satisfied or performed prior to the time specified therefor, the party for whose benefit the condition is inserted may in writing:
 - (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
 - (b) elect on written notice to the other party to terminate this Agreement before Closing.
- (2) If any condition set out in Section 5.3 is not satisfied or performed prior to the time specified therefor, either the Vendor or the Purchaser may elect on written notice to the other party to terminate this Agreement before Closing.

5.6 Termination Obligations

If the Purchaser or the Vendor validly terminates this Agreement in accordance with Section 5.5, then:

- (1) all the obligations of both the Vendor and Purchaser pursuant to this Agreement shall be at an end;
- (2) the Purchaser shall be entitled to have the Deposit together with all accrued interest thereon returned to the Purchaser; and
- (3) neither party shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from the other.

5.7 Breach by Purchaser

If the Purchaser fails to complete the Transaction in accordance with the terms of this Agreement, then the Vendor may by notice to the Purchaser elect to treat the Agreement as having been repudiated by the Purchaser. In that event, the Deposit and any other payments made by the Purchaser shall be forfeited to the Vendor on account of its liquidated damages, not as a penalty and the Purchased Assets may be resold by the Vendor without prejudice to any claims which the Vendor may have against the Purchaser by reason of such default.

SECTION 6 -- CLOSING

6.1 Closing

The completion of the Transaction shall take place at the offices of Aird & Berlis LLP, solicitors for the Vendor, in Toronto, Ontario at the Closing Time or at such other location(s) as are agreed upon by the parties.

6.2 Vendor's Deliveries on Closing

At or before the Closing Time, upon fulfilment by the Purchaser of all the conditions herein in favour of the Vendor which have not been waived in writing by the Vendor, the Vendor shall deliver the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a copy of the issued Stalking Horse Approval Order;
- (b) a copy of the issued Approval and Vesting Order;
- (c) the necessary conveyances, executed by the Receiver, conveying to the Purchaser all of the right, title and interest of the Vendor and the Receiver, if any, in and to the Purchased Assets, pursuant to the Approval and Vesting Order;
- (d) any assignments of any of the Vendor's rights under the Contracts required pursuant to this Agreement;

- (e) such notice or notices as the Purchaser may reasonably require to be given to other parties under the Contracts of the assignment of such Contracts to the Purchaser, together with directions relating to the performance of obligations under such Contracts all in such form as the Purchaser may reasonably require;
- (f) a statement of adjustments prepared in accordance with Section 3.2(2) hereof, to be delivered not less than five (5) Business Days prior to the Closing Date;
- (g) a direction from the Vendor designating the party or parties to which the balance of the Purchase Price described in Section 3.4(1)(b) hereof shall be paid and in the event that the Vendor designates more than one party then it shall also designate amounts payable to each of the parties;
- (h) the Vendor's undertaking to re-adjust any errors, omissions or changes in statement of adjustments;
- (i) the Vendor's certificate setting out that the Vendor is not a "non-resident" of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada) and is not the agent nor trustee of a "non-resident";
- (j) the certificate of the Vendor referenced in Section 5.1(b);
- (k) all copies of plans, specifications and designs in respect of the Real Property, in the Vendor's possession, if any;
- (l) all master keys and duplicate keys relating to the Real Property in the Vendor's possession, if any and all security cards and codes relating to the Real Property in the Vendor's possession, if any; and
- (m) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

6.3 Purchaser's Deliveries on Closing

At or before the Closing Time, upon fulfilment by the Vendor of all the conditions herein in favour of the Purchaser which have not been waived by the Purchaser, the Purchaser shall execute and deliver the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the Purchase Price pursuant to Section 3.4;
- (b) payment or evidence of the payment of the Taxes and Transfer Taxes, if any;
- (c) the Purchaser's undertaking to readjust any errors, omissions or changes in the statement of adjustments;
- (d) the certificate of the Purchaser referenced in Section 5.2(b); and

- (e) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

6.4 Transfer Taxes.

Subject to Sections 3.2 and 3.5, the parties agree that the Purchaser shall be liable and shall pay any and all Transfer Taxes and shall indemnify or reimburse the Vendor for any amounts for which the Vendor may become liable as a result of any failure by the Purchaser to pay any Transfer Taxes. At Closing, the Purchaser will, as applicable, either pay the foregoing to the Vendor or deliver to the Vendor evidence confirming the Purchaser's payment of all of the foregoing, in form and substance satisfactory to the Vendor, acting reasonably. The Purchaser shall be entitled to provide the Vendor with evidence that the Purchaser is an exempt Purchaser, in whole or in part, for purposes of relevant legislation and, upon provision of such evidence satisfactory to the Vendor, acting reasonably, the Purchaser shall not be required to pay on Closing such Transfer Taxes.

6.5 Risk

Until completion of this Agreement on the Closing Date, the Purchased Assets shall be and remain at the risk of the Vendor, except as otherwise provided in this Section 6.5. In the event of any damage to the Purchased Assets on or before the Closing Date, the Purchaser may elect: (i) to require the Vendor to repair the Purchased Assets to the same state and condition as it was in at the time this Agreement was entered into in which event the Purchaser will complete the transaction without an abatement in the Purchase Price; (ii) to reduce the Purchase Price by an amount equal to the cost required to complete the repair as estimated by an independent qualified architect or engineer retained by the Vendor in which event the Purchaser will complete the transaction and accept the price reduction equal to such cost; or (iii) to terminate this Agreement in which case the Deposit shall be immediately returned to the Purchaser, with interest and without deduction, and neither party shall have any further rights or obligations under this Agreement.

6.6 Electronic Registration

- (1) Where the Real Property is in an area where electronic registration is mandatory and the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, c. L-4, and the Electronic Registration Act, S.O. 1991, c.-44, and any amendments thereto, the Vendor and the Purchaser acknowledge and agree that the exchange of closing funds, documents and other closing deliverables provided for under this Agreement and the release thereof to the Vendor and the Purchaser shall:
 - (a) not occur at the same time as the registration of the Application for Vesting Order in connection with the Real Property (and any other documents intended to be registered in connection with the completion of this Transaction); and
 - (b) be subject to conditions whereby the lawyer(s) receiving any of the closing deliverables will be required to hold such closing deliverables in escrow and not release same except in accordance with the terms of a document registration

agreement between the said lawyers, which shall be in the form as recommended from time to time by the Law Society of Upper Canada.

6.7 Purchaser's Acknowledgement

The Purchaser acknowledges that the Vendor is selling the Purchased Assets solely pursuant to the Vendor's rights and capacity conferred by the Receivership Order and the Approval and Vesting Order. The Purchaser agrees to accept a conveyance of the Purchased Assets by way of the Approval and Vesting Order.

6.8 Possession of Purchased Assets

On Closing the Purchaser shall acquire ownership of the Purchased Assets where situate at the Closing Time provided that in no event shall title to the Purchased Assets pass to the Purchaser until the Approval and Vesting Order is effective.

6.9 Tender

Any tender of documents or money hereunder may be made upon the Vendor or the Purchaser or their respective solicitors on the Closing Date.

SECTION 7 – GENERAL

7.1 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the recipients as follows:

in the case of the Vendor:

A. Farber & Partners Inc.

150 York Street

Suite 1600

Toronto, Ontario, M5H 3S5

Attention: Hylton Levy

Facsimile: 416-496-3839

Email: hlevy@farberfinancial.com

with a copy to:

Aird & Berlis LLP

Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: D. Robb English
Facsimile: 416-863-1515
Email: renglish@airdberlis.com

In the case of the Purchaser:

Kevin Sit Investments Inc.

5745 Atlantic Drive
Mississauga, Ontario
L4W 1H3

Attention: John Sit
Email: midwayinvader@yahoo.ca

with a copy to:

Louis M. Fried Professional Corporation

Barrister & Solicitor
2180 Steeles Avenue West
Concord, ON L4K 2Z5

Attention: Louis M. Fried
Facsimile: 905-738-6203
Email: louis@louismfried.com

or to such other address, individual or electronic communication number as may be designated by notice given by either party to the other. Any demand, notice or other communication shall be conclusively deemed to have been given, if given by personal delivery, on the day of actual delivery thereof if delivered during normal business hours of the recipient on a Business Day and, if given by electronic communication, on the day following the transmittal thereof if transmitted during normal business hours of the recipient on a Business Day and on the second Business Day following the delivery or transmittal thereof if not so delivered or transmitted.

7.2 Time of Essence

Time shall be of the essence for every provision hereof.

7.3 Expenses

Except as otherwise expressly provided herein, all costs and expenses (including the fees and disbursements of legal counsel, investment advisers and auditors) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses, subject to any rights either party may have to have any such fees included in any security held by that party against the assets of the Companies.

7.4 Third Party Beneficiaries

Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto and their successors and permitted assigns, and no person, other than the parties hereto and their successors and their permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

7.5 Commission

The Purchaser acknowledges that there are no agent's or broker's fees or other commissions payable by the Vendor on the Purchase Price and Purchaser agrees to indemnify and save the Vendor harmless with respect to any claims for compensation or commission by any third party or agent retained by the Purchaser.

7.6 Further Assurances

During the thirty (30) day period after the Closing Date, each party shall from time to time execute and deliver, or cause to be executed and delivered, all such documents and instruments and do, or cause to be done, all such acts and things as the other party may, either before or after the Closing, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

7.7 Entire Agreement

This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, provisions, covenants, agreements, understandings and representations on that subject, all of which have become merged and finally integrated into this Agreement.

7.8 Amendments

This Agreement may only be amended, modified or supplemented by a written agreement signed by the parties.

7.9 Waiver

No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the party to be bound thereby.

7.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the parties hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

7.11 Benefit of Agreement

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns, provided that the Purchaser shall not assign the benefit of this Agreement without the prior written consent of the Vendor.

7.12 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

7.13 Counterparts

This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

7.14 Assignment and Enurement

No party may assign its rights or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the forgoing, the Purchaser shall have the right to assign, in whole or in part, its rights to acquire the Purchased Assets hereunder to any affiliate of the Purchaser provided that such assignment shall not release the Purchaser from its obligations under this Agreement.

7.15 *Planning Act* (Ontario)

This Agreement shall be effective to create an interest in the Purchased Assets for the Purchaser only if Part VI of the *Planning Act* (Ontario) is complied with prior to Closing.

[the next page is the signature page]

Dated as of the date first set out above.

KEVIN SIT INVESTMENTS INC.

Per:

Name: KEVIN SIT

Title: PRESIDENT

Per:

Name:

Title:

We have the authority to bind the corporation

Dated at Toronto, Ontario as of the 16th day of December, 2014.

A. FARBER & PARTNERS INC., solely in its capacity as court-appointed receiver of Pembroke Residence Ltd., and not in its corporate or personal capacity

Per:

Name: MYLTON LEVY

Title: PARTNER

I have the authority to bind the corporation

Schedule "A"
Real Property Description

Municipal address: 117 Pembroke Street, Toronto, Ontario.

Legal Description: PIN -- 21100-0139 (LT)

Schedule "B"
Permitted Encumbrances

1. Notice of Security Interest in the principal sum of \$42,048, registered on title by Indcom Leasing Inc. on July 31, 2014 as Instrument No. AT3650276.

Schedule "C"
Sales Process

1. Definitions. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Agreement.
2. Advertisement. Not later than five (5) Business Days after the Stalking Horse Approval Order is granted, the Vendor shall advertise for sale the Purchased Assets in The Globe and Mail (National Edition).
3. Due Diligence. Not later than five (5) Business Days after the Stalking Horse Approval Order is granted, the Vendor shall make available to prospective purchasers (collectively, the "**Prospective Purchasers**"), upon receipt of an executed confidentiality agreement from a Prospective Purchaser, access to a data room containing information reasonably required by Prospective Purchasers to consider submitting an offer for the Purchased Assets and facilitate the conduct of due diligence by the Prospective Purchasers. The Purchaser may have access to the data room.
4. Bid Deadline. Any offers to purchase the Purchased Property must be submitted in writing to and received by the Vendor at Suite 1600, 150 York Street, Toronto, ON M5H 3S5, attention: Hylton Levy by 5:00 p.m. (Toronto time) on the twenty-fifth (25th) Business Day after the Stalking Horse Approval Order is granted (the "**Bid Deadline**").
5. Qualified Bid. The Vendor in its sole discretion shall determine whether any offers are "**Qualified Bids**". A Qualified Bid shall mean an offer to purchase substantially all of the Purchased Assets which is substantially the same or better than the Agreement, provided that no offer shall qualify as a Qualified Bid unless it meets, among other things, the following minimum criteria:
 - i. the Prospective Purchaser and the representatives thereof who are authorized to appear and act on its behalf must be sufficiently identified and written evidence of the offeror's chief officer or other appropriate senior executive's approval of the contemplated transaction must be submitted with the offer;
 - ii. the offer must be submitted in writing and include a blackline of the offer to the Agreement, reflecting the Prospective Purchaser's proposed changes and a written commitment to close on the terms and conditions set forth therein;
 - iii. the offer must be accompanied by a deposit in the form of bank draft or certified cheque payable to the Vendor which is equal to at least 10% of the aggregate purchase price payable under the offer;
 - iv. the offer must be open for acceptance by the Vendor until five (5) Business Days after the Auction (as hereinafter defined) or later;
 - v. the offer must be on terms no less favourable and no more burdensome or conditional than the Agreement;

- vi. the offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction that are not otherwise contained in the Agreement;
 - vii. the offer must contain written evidence of a commitment for financing or other evidence of the ability to consummate the sale with appropriate contact information for such financing sources; and
 - viii. the offer must be for a price equal to or greater than the sum of the Purchase Price, the Break Fee and \$50,000.
6. Auction. Only if the Vendor receives two or more Qualified Bids by the Bid Deadline, the Vendor shall extend invitations by phone, fax and/or email by 10:00 a.m. (Toronto time) on the third (3rd) Business Day after the Bid Deadline to all bidders who submitted Qualified Bids to attend an auction (the "**Auction**"), but shall not extend any such invitation to the Purchaser. The Auction shall be held at 10:00 a.m. (Toronto time) on the fifth (5th) Business Day after the Bid Deadline (or such other date and time as the Vendor may in its sole discretion designate) at the offices of the Vendor.
7. Conduct of the Auction. The Vendor shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid and subsequently continue in multiples of \$50,000, or such other amount as the Vendor determines to facilitate the Auction (the "**Incremental Amount**"). Additional consideration in excess of the amount set forth in the highest Qualified Bid must be comprised only of cash consideration. The format and procedure for the Auction shall be determined by the Vendor in its sole discretion.
8. Winning Bid. In its sole discretion and based, *inter alia*, on the conduct of the Auction, the total financial and contractual terms of the Qualified Bids and various factors relevant to the speed and certainty of completing the sale of the Purchased Assets, the Vendor shall determine and accept the highest and/or best bid with respect to the Purchased Assets (the "**Winning Bid**"), subject to Court approval.
9. Court Approval of the Winning Bid. The Vendor shall make a motion to the Court to obtain approval of the Winning Bid and an approval and vesting order as expeditiously as possible after the Auction.
10. Court Approval of Agreement if no Qualified Bid. If no Qualified Bid is received by the Bid Deadline (other than the Agreement), the Auction will not be held. Accordingly, the Agreement will be the Winning Bid and the Vendor shall seek, as expeditiously as possible, approval of the Court to consummate the Transaction contemplated by the Agreement.
11. Return of Deposits. The deposits submitted with all Qualified Bids (except the Winning Bid), shall be held in escrow by the Vendor until five (5) Business Days after the date of the completion of the Auction and returned to those Prospective Purchasers thereafter. If the Winning Bid terminates pursuant to its terms or fails to close because of the Vendor's breach or failure to perform under the terms of the Winning Bid, the Vendor shall return the deposit submitted with such bid to the bidder that submitted the Winning Bid (the

“Winning Bidder”) forthwith. If the Winning Bidder fails to complete the approved sale because of its breach or failure to perform under the terms of the Winning Bid, the Vendor shall not have any obligation to return the deposit submitted with the Winning Bid and such deposit shall be retained by the Vendor as liquidated damages and the Purchaser shall be entitled to submit a new bid for the Purchased Assets, which the Vendor shall be at liberty to but not obligated to, accept on terms to be agreed upon between the Parties.

12. Modifications. Subject to the Sales Process Order, the Vendor shall have the right to adopt such other rules for the Sale Process, that, in its sole discretion, will better promote the goals of the Sale Process.

Tab E



Canada Revenue Agency
Agence du revenu
du Canada

Tax Centre
Toronto ON M5J 2X6

November 19, 2014

PEMBROKE RESIDENCE LTD
A. FARBER & PARTNERS INC.
ATTENTION: NOAH LITWACK
150 YORK ST., SUITE 1600
TORONTO ON M5H 3S5

Account Number
88832 6170 RP0001

Dear Sir or Madam;

Re: PEMBROKE RESIDENCE LTD
Account number: 88832 6170 RP0001

We have been advised that you have been appointed as receiver for the above-named. At present, there is indebtedness to Canada Revenue Agency (CRA) for source deductions amounting to \$49,706.00.

Particulars of this liability are as follows:

Date of assessment (DD/MM/YYYY)	24/10/2014
Tax deductions:	\$ 0.00
CPP:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$ 530.10
Total:	\$ 530.10

Date of assessment (DD/MM/YYYY)	24/10/2014
Tax deductions:	\$ 0.00
CPP:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$ 2,671.86
Total:	\$ 2,671.86

Date of assessment (DD/MM/YYYY)	21/03/2014
Tax deductions:	\$ 5,119.45
CPP:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$ 3,385.42
Total:	\$ 8,504.87

Date of assessment (DD/MM/YYYY)	21/03/2014
Tax deductions:	\$ 1,855.31

.../2

Canada

Toronto Centre Tax Services Office
Bankruptcy & Insolvency Unit
1 Front St. W. Suite 100
Toronto ON M5J 2X6

Local: 416-973-3720
Fax: 416-954-6411
Web site: www.cra.gc.ca

- 2 -

Acct No: 88832 6170 RP0001

CPP:	\$ 1,638.80
EI:	\$ 892.34
Penalties and interest:	\$ 845.00
Total:	\$ 5,231.45

Date of assessment (DD/MM/YYYY)	22/07/2014
Tax deductions:	\$ 0.00
CPP:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$ 312.51
Total:	\$ 312.51

Date of assessment (DD/MM/YYYY)	03/11/2014
Tax deductions:	\$11,259.73
CPP:	\$12,740.40
EI:	\$ 5,457.13
Penalties and interest:	\$ 2,997.95
Total:	\$32,455.21

Grand total:	\$49,706.00
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Pursuant to the provisions of subsection 227(4) of the Income Tax Act (ITA), subsection 23(3) of the Canada Pension Plan (CPP), subsection 57(2) of the Unemployment Insurance Act (UIA), subsection 86(2) of the Employment Insurance Act (EIA), the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of PEMBROKE RESIDENCE LTD in receivership.

Federal income tax:	\$ 5,119.45
Provincial income tax:	\$ 0.00
CPP employee portion:	\$ 0.00
EI employee portion:	\$ 0.00
Total:	\$ 5,119.45

Federal income tax:	\$ 1,384.57
Provincial income tax:	\$ 470.74
CPP employee portion:	\$ 819.40
EI employee portion:	\$ 371.81
Total:	\$ 3,046.52

Federal income tax:	\$ 8,402.80
Provincial income tax:	\$ 2,856.93
CPP employee portion:	\$ 6,370.20
EI employee portion:	\$ 2,273.80
Total:	\$19,903.73

Grand total:	\$28,069.70
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.../3

Payment for the total amount of this trust, namely \$28,069.70 should be made to the Receiver General out of the realization of any property that is subject to these statutory trusts in priority to all other creditors. Please forward payment by return mail. In the event this is not possible, please indicate when payment will be forthcoming.

Please advise when payment of the remaining balance of \$21,636.30 plus interest up to the date of payment will be forthcoming. Your attention is drawn to section 159 of the ITA, subsection 23(5) of the CPP, subsection 57(4.1) of the UTA and subsection 86(4) of the EIA.

This letter also serves as notice that should payment be made for any amount described in subsection 153(1) of the ITA for periods prior or subsequent to your appointment, tax deductions must be withheld and remitted in accordance with this subsection and Income Tax Regulations 101 and 108. Your attention is also directed to section 3 of the Unemployment Insurance (Collection of Premiums) Regulations, section 5 of the EIA and section 8 of the Canada Pension Plan Regulations.

If you require further information, please contact the undersigned at 416-973-3720.

Yours truly,



Marko Bobar
Insolvency Officer

Tab F



Canada Revenue Agency
Agence du revenu
du Canada

Tax Centre
Toronto ON M5J 2X6

November 19, 2014

PEMBROKE RESIDENCE LTD
C/O A. FARBER & PARTNERS INC.
ATTENTION: NOAH LITWACK
150 YORK ST., SUITE 1600
TORONTO ON M5H 3E5

Account Number
88832 6170 RT0001

Dear Sir or Madam:

Re: PEMBROKE RESIDENCE LTD

We understand that you have been appointed (Receiver or Receiver and Manager) for the above GST/HST registrant. Currently, the registrant owes us goods and services tax / harmonized sales tax (GST/HST) of \$66,212.03.

Period outstanding	GST/HST payable	Penalty & Interest	Total payable
2013-04-01 - 2013-06-30	\$ 4,269.68	\$1,655.17	\$ 5,924.85
2013-10-01 - 2013-12-31	\$14,040.82	\$ 572.98	\$14,613.80
2014-01-01 - 2014-03-31	\$ 4,944.13	\$ 192.73	\$ 5,136.86
2014-04-01 - 2014-06-30	\$14,240.37	\$ 218.18	\$14,458.55
2014-07-01 - 2014-09-30	\$26,028.01	\$ 49.96	\$26,077.97
TOTAL	\$63,523.01	\$2,689.02	\$66,212.03

Under subsection 222(3) of the "Excise Tax Act," \$63,523.01 which is included in the above totals, is held in trust and forms no part of the property, business, or estate of PEMBROKE RESIDENCE LTD in receivership. This is the case whether or not those funds have in fact, been kept separate and apart from the person's own money or from the assets of the estate.

The Receiver General should be paid the total amount of this trust, namely \$63,523.01, out of the realization of any property subject to these statutory trusts. This should take priority over all other creditors. Please forward your payment by return mail as

.../2

Canada

Toronto Centre Tax Services Office
Bankruptcy & Insolvency Unit
1 Front St. W., Suite 100
Toronto ON M5J 2X6

Local: 416-973-3720
Fax: 416-954-6411
Web site: www.cra.gc.ca

soon as possible. If this is not possible, please indicate when payment will be forthcoming.

Please indicate when you can pay the remaining balance of \$2,689.02, plus penalty and interest accrued to the date of payment. We draw your attention to sections 266 and 270 of the "Excise Tax Act."

This letter will also serve to notify you that as a (Receiver or Receiver and Manager) you are required to collect and remit GST/HST according to paragraph 266(2)(d) and to file any applicable returns as provided in paragraphs 266(2)(f) and (g) of the "Excise Tax Act."

If you have any questions, please contact Marko Bobar of the Revenue Collection Division at one of the telephone numbers provided in this letter.

Yours truly,

A handwritten signature in black ink, appearing to be 'MB' with a stylized flourish underneath.

Marko Bobar
Insolvency Officer

Tab G

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. 1

AMOUNT \$25,000.00

1. THIS IS TO CERTIFY that A. FARBER & PARTNERS INC., the receiver (the "Receiver") of the assets, undertakings and properties PEMBROKE RESIDENCE LTD. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 17th day of October, 2014 (the "Order") made in an action having Court file number 14-10614-00CL, has received as such Receiver from the holder of this certificate, HANDS-ON CAPITAL INVESTMENTS INC. (the "Lender"), the principal sum of \$25,000.00, being part of the total principal sum of \$75,000.00 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 calculated and compounded monthly not in advance on the 23rd day of each month after the date hereof at a rate of 12 per cent per annum.

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 interest 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 23rd day of October, 2014.

**A. FARBER & PARTNERS INC., solely in its
capacity as Receiver of the Property of
Pembroke Residence Ltd., and not in its personal
capacity**

Per: 

Name: NORTH M. LYTWACK

Title: MANAGER

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. 2

AMOUNT \$35,000.00

1. THIS IS TO CERTIFY that A. FARBER & PARTNERS INC., the receiver (the "Receiver") of the assets, undertakings and properties PEMBROKE RESIDENCE LTD. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 17th day of October, 2014 (the "Order") made in an action having Court file number 14-10614-00CL, has received as such Receiver from the holder of this certificate, HANDS-ON CAPITAL INVESTMENTS INC. (the "Lender"), the principal sum of \$35,000.00, being part of the total principal sum of \$75,000.00 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 calculated and compounded monthly not in advance on the 23rd day of each month after the date hereof at a rate of 12 per cent per annum.

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 interest 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.

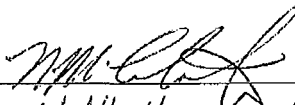
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder 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 27th day of November, 2014.

**A. FARBER & PARTNERS INC., solely in its
capacity as Receiver of the Property of
Pembroke Residence Ltd., and not in its personal
capacity**

Per: 
Name: NOAH M. LITWACK
Title: MANAGER

Tab H

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

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND**

**IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O.
1990 c. C.43, AS AMENDED WITH RESPECT TO PEMBROKE RESIDENCE LTD.
OPERATING AS KNIGHTS INN TORONTO**

**FEES OF A. FARBER & PARTNERS INC. AS
RECEIVER AND MANAGER OF PEMBROKE RESIDENCE LTD.
FOR THE PERIOD ENDED JANUARY 31, 2015**

AFFIDAVIT OF NOAH LITWACK
(Sworn February 19, 2015)

I, NOAH LITWACK, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND STATE:

1. I am a Trustee of A. Farber & Partners Inc. and, as such, have knowledge of the matters to which I hereinafter depose.
2. A. Farber & Partners Inc. ("Farber") was appointed as receiver and manager (the "Receiver") of the properties, assets and undertakings of Pembroke Residence Ltd. ("Pembroke") pursuant to an Order of this Court made on the 17th day of October, 2014.

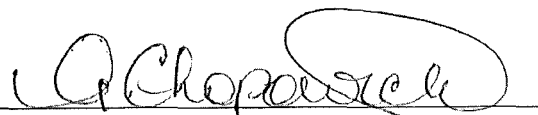
3. During the period June 18, 2014 to January 31, 2015 the Receiver has incurred fees and disbursements, including HST, but excluding the fees of its legal counsel, in the amount of \$105,808.70. A summary of the time incurred, disbursements and HST is attached hereto as Exhibit "A". Particulars of the work performed are contained in the statement of fees of A. Farber & Partners Inc., a copy of which is attached hereto as Exhibit "B". The average hourly rate in respect of the accounts is \$393.67.

4. To the best of my knowledge, the rates charged by Farber in connection with acting as Receiver are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services.

5. The hourly billing rates set out in the Receiver's statement of fees are the normal hourly rates charged by Farber for services rendered in relation to similar proceedings.

6. This affidavit is made in support of a motion to, *inter alia*, seek approval of the foregoing fees and disbursements as fair and reasonable.

SWORN BEFORE ME at the
City of Toronto, in the
Province of Ontario,
this 19th day of February, 2015.



Commissioner for Taking Affidavits


NOAH LITWACK

Annette Chopowick, a Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: April 15, 2016.

Exhibit "A"

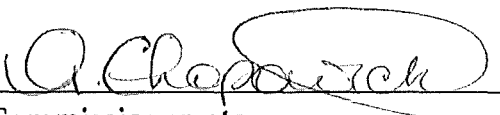
Summary of Time

This is Exhibit "A" to the Affidavit

of Noah Litwack

Sworn before me this 19th day

of February, 2015


A Commissioner, etc.

Annette Chopowick, a Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: April 15, 2016.

A. FARBER & PARTNERS INC.

EXHIBIT "A"

PEMBROKE RESIDENCE LTD.

SUMMARY OF TIME INCURRED

JUNE 18, 2014 TO FEBRUARY 19, 2015

Invoice from Jun 18, 2014 to Jan 31, 2015			
Name	Rate/Hour	Total Hours	Total Fees
H. Levy	\$ 575.00	67.50	\$ 38,812.50
J. Hendriks	\$ 525.00	0.10	\$ 52.50
M. Baigel	\$ 480.00	0.70	\$ 336.00
N. Litwack	\$ 425.00	99.40	\$ 42,245.00
M. Castillo	\$ 175.00	1.00	\$ 175.00
L. Samoilov	\$ 165.00	44.70	\$ 7,375.50
L. Lloyd-Key	\$ 155.00	0.80	\$ 124.00
D. Falcione	\$ 155.00	18.50	\$ 2,867.50
A. Chopowick	\$ 155.00	1.60	\$ 248.00
Total		234.30	\$ 92,236.00
Average rate per hour:			\$ 393.67

Expenses	\$ 1,582.02
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Total Fees and Expenses \$93,818.02

HST \$11,990.68

Total \$105,808.70

Exhibit "B"

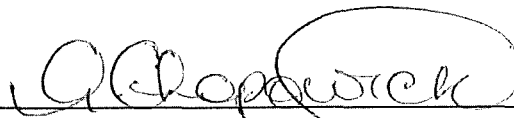
Statements of Fees

This is Exhibit "B" to the Affidavit

of Noah Litwack

Sworn before me this 19th day

of February, 2015


A Commissioner, etc.

Annette Chopowick, a Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: April 15, 2016.

150 York Street
Suite 1600
Toronto, ON M5H 3S5
Canada
Office 416.497.0150
Fax 416.496.3839
www.farberfinancial.com

February 19, 2015

Pembroke Residence Ltd.
117 Pembroke Street
Toronto, ON M5A 2N9

Invoice No. 11584

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period ended January 31, 2015.

DATE	SERVICE	STAFF
06/18/2014	Consulting fees - Corporate Initial discussion with Iqbal Moledina.	Levy
06/26/2014	Consulting fees - Corporate Preparation of sales process timeline; discussions with Robb English regarding receivership process; review of draft management contract.	Levy
06/26/2014	Accounting Document preparation.	Castillo
06/27/2014	Consulting fees - Corporate Emails with Maya Poliak; call with Robb English regarding receivership process and required documentation.	Levy
06/30/2014	Consulting fees - Corporate Preparation of Proposed Receiver Report; review of draft affidavit from Chaitons; review of the Management Services Agreement with IM Hospitality.	Levy
07/02/2014	Consulting fees - Corporate Various emails and discussions with Robb English regarding the report; review of draft management agreement; review of the Draft Court Order and draft affidavit of Iqbal Moledina.	Levy
07/03/2014	Consulting fees - Corporate Create website for this engagement and email URL to H. Levy; draft consent to act as Receiver and email to H. Levy.	Da Silva-Falcione
07/03/2014	Consulting fees - Corporate Meeting with Iqbal Moledina regarding management	Levy

	agreement; various calls and emails with Maya Poliak and Alyssa Keon.	
07/04/2014	Consulting fees - Corporate Finalization of the management agreement with Maya Poliak and Alyssa Keon; calls with Alyssa Keon regarding Proposed Receiver Report and service of same.	Levy
07/08/2014	Consulting fees - Corporate Calls with Robb English regarding adjournment, Interim Receiver; attend at Court and discussions with Maya Poliak; emails with stakeholders regarding website page and removal of same.	Levy
07/09/2014	Consulting fees - Corporate Unpublish website link.	Da Silva-Falcione
07/11/2014	Consulting fees - Corporate Various emails and calls with Alyssa Keon and Maya Poliak regarding updates and the management services agreement.	Levy
07/14/2014	Consulting fees - Corporate Calls with Alyssa Keon regarding the management services agreement and the indemnity clause therein; emails with Robb English regarding court date.	Levy
07/16/2014	Consulting fees - Corporate Calls and emails with Maya Poliak, Robb English regarding outstanding accounts.	Levy
10/03/2014	Consulting fees - Corporate Call with Iqbal Moledina; emails with Maya Poliak and Robb English.	Levy
10/06/2014	Consulting fees - Corporate Emails and discussions with Maya Poliak; call with Iqbal Moledina regarding receivership motion.	Levy
10/14/2014	Consulting fees - Corporate Review of the billing and emails and call with Maya Poliak.	Levy
10/15/2014	Consulting fees - Corporate Review of account and calculate updated WIP per request from Maya Poliak.	Levy

10/16/2014	Consulting fees - Corporate	Levy
	Emails with Robb English regarding Pembroke receivership appointment; discussion with Noah Litwack re: possession.	
10/17/2014	Consulting fees - Corporate	Da Silva-Falcione
	Discussion with H Levy, N Litwack and A Fisher re: receivership appointment and next steps; draft Notice and Statement of Receiver; set up Receivership in Ascend; email to L Samoilov re: bank account instructions; prepare requisition for mail re-direction fee; fax to CIBC with Court Order and instructions to freeze bank account immediately; follow up call to CIBC Branch Manager who confirmed he received the fax and that he would refer it to his legal department immediately.	
10/17/2014	Consulting fees - Corporate	Levy
	Meeting with Maya Poliak, Iqbal Moledina; various discussions with Noah Litwack and Andy Fisher regarding taking possession and receivership administration issues.	
10/17/2014	Consulting fees - Corporate	Litwack
	Meeting with Iqbal Moledina and Maya Poliak; reviewed court order; prepared materials for taking possession; attended at premises with A Fisher and I Moledina; provided direction for contact with bank re freezing the account; review of critical payables and general operations with I Moledina and company accountant; toured premises and took photographs.	
10/20/2014	Consulting fees - Corporate	Da Silva-Falcione
	Draft website text for N Litwack review/edit; update website with Pembroke particulars.	
10/20/2014	Consulting fees - Corporate	Levy
	Numerous discussions with Noah Litwack; calls with Iqbal Moledina; review and supervision of possession and other actions taken to date.	
10/20/2014	Consulting fees - Corporate	Litwack
	Began drafting notice of receivership and initial report of the receiver; compiled information for file set up and initial mailing; drafted and revised notice for website; addressed banking issues; addressed critical account issues; various correspondence with I Moledina.	

10/21/2014	Consulting fees - Corporate	Da Silva-Falcione	Review file of supplier invoices, etc.; prepare list of suppliers for N Litwack review and instructions on which need to be contacted immediately to set up post-receiver accounts/billing; telephone discussion and follow up email with Andy Pham of Victory Laundry re: receivership and services to continue; faxes to City of Toronto Water Services, Toronto Hydro and Enbridge re: receivership and request for post-receivership accounts; email to insolvency team at Bell re: receivership and request for post-receivership accounts; attend at post office to complete mail re-direction.
10/21/2014	Consulting fees - Corporate	Levy	Review memo to file from Noah Litwack; discussions with Noah Litwack regarding banking and other operating items; discussions with Iqbal Moledina regarding various items to consider; discussions with Jag Singh regarding possible opportunity.
10/21/2014	Banking - Corporate	Samoilov	Open new bank account; set up bank account in Ascend.
10/21/2014	Consulting fees - Corporate	Litwack	Provided direction for D Falcione re contact with critical accounts; drafted letters to employees re termination and contract hiring; drafted initial list of creditors and correspondence with I Moledina re same; drafted memo to file re taking possession; reviewed list of critical accounts with D Falcione; telephone and email correspondence with CRA representative re trust exam, new HST and payroll accounts and trust claims; review of critical accounts with I Moledina; reviewed and revised timeline for sales process.
10/22/2014	Consulting fees - Corporate	Da Silva-Falcione	Call to Enbridge re: numerous failed attempts to fax them notice of receivership and obtain email address instead; emailed Court Order and request for post-receivership account/billing; discussion with CIBC re: account and freezing same.
10/22/2014	Consulting fees - Corporate	Levy	Call with Iqbal Moledina; call with Robb English; discussions with Noah Litwack regarding sales process information.

10/22/2014	Banking - Corporate Banking.	Samoilov
10/22/2014	Consulting fees - Corporate Created interested party control list; addressed banking issues re deposits; correspondence with I Moledina re insurance, list of creditors and receiver's notice; review of data available for sales process.	Litwack
10/23/2014	Consulting fees - Corporate Emails and discussions with Iqbal Moledina regarding Munira visit and process for this to occur.	Levy
10/23/2014	Banking - Corporate Banking, posting.	Samoilov
10/23/2014	Noah Litwack Reviewed bank receipts; drafted Receiver's certificate re Hands-On Capital; addressed attendance at site for shareholder's request.	Litwack
10/24/2014	Consulting fees - Corporate Review and update format of creditors list for Notice and Statement of Receiver.	Da Silva-Falcione
10/24/2014	Consulting fees - Corporate Calls and emails with Noah Litwack and update on operational items.	Levy
10/24/2014	Consulting fees - Corporate Attendance at site to meet with staff accountant; addressed final list of creditors, insurance issues, employee issues and cash controls; drafted memo re update of operations; completed Notice and Statement of Receiver.	Litwack
10/27/2014	Consulting fees - Corporate File Notice and Statement of Receiver with Official Receiver via facsimile; complete Notice of Statement and Receiver mailing to creditors and officer of company; call and left message for insurance broker re: Aviva policy - awaiting return call; complete insurance survey form; discussion with Aviva broker and email re: adding Receiver as loss payee and additional insured and re: insurance premiums going forward; email to Firstbrook, Cassie and Anderson Ltd. requesting quote for insurance comparable to existing coverage with Aviva.	Da Silva-Falcione

10/27/2014	Consulting fees - Corporate	Levy
	Emails with Robb English regarding sales process; discussions with Noah Litwack regarding operational items, sales process timeline, insurance update.	
10/27/2014	Banking - Corporate	Samoilov
	Banking, posting.	
10/27/2014	Consulting fees - Corporate	Litwack
	Drafted letter to Moneris and filled out banking change request form; drafted revision to sales process timeline; various emails to staff and management re information required; revised final draft of Notice and Statement of Receiver; reviewed insurance coverage with D Falcione; various discussions with H Levy.	
10/28/2014	Consulting fees - Corporate	Levy
	Attend at the hotel to meet with Iqbal Moledina; discussions with Noah Litwack regarding sales process timeline; calls with Iqbal Moledina.	
10/28/2014	Banking - Corporate	Samoilov
	Banking, posting.	
10/28/2014	Consulting fees - Corporate	Litwack
	Provided direction for insurance quote from FCA and assisted with initial application; attendance at site with H Levy for meeting with I Moledina; email correspondence with I Moledina summarizing meeting and operations going forward.	
10/29/2014	Consulting fees - Corporate	Da Silva-Falcione
	Discussion with Gail of Brokerlink, Aviva Broker, re: payments on policy from Receiver; email to N Litwack re: same; email to A Pan of Victory Laundry services confirming receipt of invoices; update cheque requisition for Victory Laundry services to pay only the outstanding invoices (some were already paid).	
10/29/2014	Consulting fees - Corporate	Levy
	Discussions with Noah litwack on numerous issues including receiver certificate, bank account cash transfers, improvement to building discussions.	
10/29/2014	Consulting fees - Corporate	Litwack
	Various creditor correspondence.	
10/30/2014	Consulting fees - Corporate	Da Silva-Falcione
	Receive OSB estate number; update system and	

N Litwack and H Levy; finalize Affidavit of Mailing re: filing Notice and Statement of Receiver and mailing to creditors.

10/30/2014	Banking - Corporate Banking, posting.	Samoilov
10/30/2014	Consulting fees - Corporate Updated sales process timeline; creditor correspondence.	Litwack
10/31/2014	Consulting fees - Corporate Discussion with B Harris of Indcom Leasing and request email with copy of lease and monthly amounts due for post-receiver payments.	Da Silva-Falcione
10/31/2014	Consulting fees - Corporate Emails with Robb English, Maya Poliak regarding management agreement; emails and calls with Iqbal Moledina.	Levy
11/03/2014	Consulting fees - Corporate Emails with Bell Canada insolvency team re: post receiver amounts due and accounts in Dewji company name; email to N Litwack re: same.	Da Silva-Falcione
11/04/2014	Consulting fees - Corporate Discussion with N Litwack re: re-directed mail and certain invoices; email to City of Toronto re: water account; submit Enbridge post-receiver invoice for payment; call to Toronto Hydro re: post-receiver account and past due notice received.	Da Silva-Falcione
11/04/2014	Consulting fees - Corporate Finalize the management agreement and emails regarding amendments thereto; update the sales process timeline and emails with Robb English and Maya Poliak; calls with Iqbal Moledina; finalize the Cushman and Wakefield engagement letter for appraisal services.	Levy
11/04/2014	Consulting fees - Corporate Reviewed trust examiner's statement of account; reviewed various equipment leases and correspondence with lessors re same; reviewed appraisal engagement letter; reviewed invoices for various operations expenses; reviewed receipts list provided by B Joseph; email and telephone correspondence with I Moledina re all of the above.	Litwack

11/05/2014	Consulting fees - Corporate	Levy
	Various calls and emails with Iqbal Moledina; Discussions and emails with Noah Litwack.	
11/05/2014	Banking - Corporate	Samoilov
	Banking, posting.	
11/05/2014	Consulting fees - Corporate	Litwack
	Telephone correspondence with CIBC branch manager re transfer of funds; telephone correspondence with Moneris re service transfer request; telephone and email correspondence with legal counsel to one of the equipment lessors; various correspondence with I Moledina; review of invoices for operations expenses.	
11/06/2014	Consulting fees - Corporate	Da Silva-Falcione
	Review/process re-directed mail; respond to Toronto Hydro inquiry re: post-receiver account; mail Notice and Statement of Receiver to additional creditor.	
11/06/2014	Consulting fees - Corporate	Levy
	Various discussions with Iqbal Moledina, Noah Litwack regarding management agreement, receivership operations.	
11/06/2014	Consulting fees - Corporate	Litwack
	Various correspondence with I Moledina re sales process, operations, status and location of leased equipment and necessary repairs; telephone correspondence with franchisor; email correspondence with legal counsel for equipment lessor; reviewed equipment leases and schedules.	
11/07/2014	Consulting fees - Corporate	Da Silva-Falcione
	Process post-receiver invoices for payment; review/process re-directed mail; email to D Tortell of City of Toronto (contact from another file) to request assistance in expediting post-receivership billing for water services.	
11/07/2014	Consulting fees - Corporate	Litwack
	Reviewed invoices and provided direction for payment of same; attended at premises to deliver documents; reviewed sales reports and bank reconciliation for October.	
11/10/2014	Consulting fees - Corporate	Da Silva-Falcione
	Telephone discussion with Tracy of City of Toronto re: water account arrears and status; email to N Litwack re:	

same and seeking instructions; obtain copy of most recent invoice with exact amount of arrears and forward same to N Litwack for approval.

11/10/2014	Banking - Corporate Banking, posting.	Samoilov
11/10/2014	Consulting fees - Corporate Provided direction for payment of water/waste water arrears; reviewed disbursements; reviewed receipts report and correspondence with B Joseph and I Moledina re same; worked on preparing information for WEPP applications; reviewed information provided by I Moledina for sales process.	Litwack
11/11/2014	Consulting fees - Corporate Discuss invoices for post receiver services with N Litwack and obtain instructions; emails with GFL re: post-receiver services/invoice.	Da Silva-Falcione
11/11/2014	Consulting fees - Corporate Numerous calls and emails with Iqbal Moledina regarding property taxes.	Levy
11/11/2014	Consulting fees - Corporate Reviewed employee information and pre-receivership payroll; various correspondence with staff accountant re employees and WEPP requirements; prepared spreadsheet for WEPP compliance; reviewed various invoices re operations expenses.	Litwack
11/12/2014	Banking - Corporate Banking, posting.	Samoilov
11/12/2014	Banking - Corporate Bank reconciliation for October 2014.	Lloyd-Key
11/12/2014	Consulting fees - Corporate Reviewed and approved payroll for hotel staff; updated WEPP data with information provided by staff accountant; provided direction re ROE's for terminated staff.	Litwack
11/13/2014	Consulting fees - Corporate Review Victory Laundry invoices and send unpaid invoices to N. Litwack for review/approval; obtain approval re: GFL invoice for payment and submit to L Samoilov; email to GFL asking them to update billing address.	Da Silva-Falcione

11/13/2014	Consulting fees - Corporate Emails with Noah Litwack; Emails and correspondence with mortgagees in preparation of meeting with mortgagees.	Levy
11/13/2014	Banking - Corporate Banking, posting.	Samoilov
11/13/2014	Consulting fees - Corporate Reviewed invoices for operations expenses and provided direction for payment of same.	Litwack
11/14/2014	Consulting fees - Corporate Call from Indcom Leasing following up on status of lease payment; email to N Litwack requesting update on this issue and return call to Indcom indicating I would be looking into it.	Da Silva-Falcione
11/14/2014	Consulting fees - Corporate Meeting with the 3 mortgagees of the property to discuss the sales process and receivership process.	Levy
11/14/2014	Banking - Corporate Banking, posting.	Samoilov
11/14/2014	Consulting fees - Corporate Provided direction for payment of various operations expenses; telephone correspondence with CIBC branch manager; drafted letter for CIBC re transferring funds on deposit with CIBC to estate trust account.	Litwack
11/17/2014	Consulting fees - Corporate Discussion with B Harris of Indcom Leasing re: lease; discussion with N Litwack re: same and email to N Litwack requesting he connect with B Harris to clarify issues.	Da Silva-Falcione
11/17/2014	Consulting fees - Corporate Calls and email from Charles Suddaby; discussions with Noah Litwack.	Levy
11/17/2014	Consulting fees - Corporate Received cheque from CIBC re funds in company bank account; correspondence with I Moledina re sales figures and bank transactions; reviewed draft appraisal report.	Litwack

11/18/2014	Banking - Corporate Banking, posting.	Samoilov
11/18/2014	Consulting fees - Corporate Reviewed daily sales report from hotel operations; reviewed invoices and transaction report.	Litwack
11/19/2014	Consulting fees - Corporate Various emails and calls with Iqbal Moledina; discussions with Noah Litwack; emails with Jag Singh.	Levy
11/19/2014	Consulting fees - Corporate Responded to query from interested party; various correspondence with I Moledina re operations expenses, payments and correspondence from CRA; drafted statement of receipts and disbursements; email correspondence with estate counsel re CRA deemed trust; reviewed sales figures and reconciled with company bank account; reviewed all transactions in company bank account post-receivership for reconciliation with pre-receivership accounts outstanding.	Litwack
11/20/2014	Banking - Corporate Banking, posting, review sales report for October and November 2014.	Samoilov
11/20/2014	Consulting fees - Corporate Received cheque from Coinamatic re laundry sales and provided direction for deposit; various correspondence with I Moledina and company accountant re expense funding, sales receipts and pre-receivership payroll funding; reviewed invoices for payment.	Litwack
11/21/2014	Consulting fees - Corporate Correspondence re sales process with interested party.	Litwack
11/24/2014	Consulting fees - Corporate Review and respond to supplier inquiry; email to L Samoilov re: same.	Da Silva-Falcione
11/24/2014	Banking - Corporate Banking, posting.	Samoilov
11/25/2014	Consulting fees - Corporate Review email from N Litwack re: payments due to suppliers, etc.; review and provide payment instructions/invoices to L Samoilov as requested.	Da Silva-Falcione

11/25/2014	Consulting fees - Corporate	Levy
	Various calls with Iqbal Moledina regarding insurance, stalking horse bid; emails with Gail Fields regarding insurance; discussions with Noah Litwack.	
11/25/2014	Banking - Corporate	Samoilov
	Banking, posting.	
11/25/2014	Consulting fees - Corporate	Litwack
	Reviewed various invoices for expense funding and reimbursement; reviewed and approved payroll of hotel staff; direction for payment of same; various correspondence with company accountant re expenses; correspondence with I Moledina re receiver's certificate.	
11/26/2014	Consulting fees - Corporate	Da Silva-Falcione
	Respond to creditor inquiry.	
11/26/2014	Consulting fees - Corporate	Levy
	Calls with Iqbal Moledina regarding the sales process and other strategic issues; review of the APA.	
11/26/2014	Consulting fees - Corporate	Litwack
	Telephone correspondence with Moneris re transfer of services to receiver's estate account and determining why Moneris did not process a batch of Visa payments; email correspondence with company accountant re same; review of CIBC bank account transactions.	
11/27/2014	Consulting fees - Corporate	Da Silva-Falcione
	Email from Bell re: past due amount owing; emails with N Litwack re: same and submit urgent request for payment to L Samoilov; call from L Samoilov re: concerns over Bell breakdown and email to Bell requesting clarification.	
11/27/2014	Consulting fees - Corporate	Levy
	Meeting with Iqbal Moledina, Amir Kassam and Noah Litwack; call to John Sit; review of documentation provided by Iqbal Moledina; supervision of mortgage interest payment and management fee; review of payout statement from Chaitons.	
11/27/2014	Banking - Corporate	Samoilov
	Banking, posting.	
11/27/2014	Consulting fees - Corporate	Litwack
	Reviewed Bell Canada accounting of pre- and post-receivership billings and provided direction for	

11/28/2014	Consulting fees - Corporate	Da Silva-Falcione	Discussion with Bell Canada re: invoice breakdown; email to L Samoilov re: same and instruction to pay Bell bill; WEPP data entry; draft WEPP letter and proof of claim for mail merge; review/process re-directed mail; discuss GFL service suspension issue with N Litwack and GFL and learn that pre-receivership fees were paid in full via Mastercard; email to N Litwack notifying him of same.
11/28/2014	Consulting fees - Corporate	Levy	Various calls and emails with Iqbal Moledina regarding mortgage assignment; emails with Robb English re: mortgage buyout/assignment.
11/28/2014	Banking - Corporate	Samoilov	Banking, posting.
11/28/2014	Consulting fees - Corporate	Litwack	Review inventory of leased equipment with I Moledina; email and telephone correspondence with equipment lessors re same; updated WEPP and employee information and provided direction to complete applications; reviewed and edited WEPP mailing letters; various telephone and email correspondence with Moneris and hotel staff re blocked terminal and resolution of issue; correspondence with party interested in purchasing property.

12/01/2014	Consulting fees - Corporate	Levy
	Calls and email with Gail Fields regarding insurance; call with Iqbal Moledina.	
12/01/2014	Consulting fees - Corporate	Litwack
	Correspondence with Moneris re new banking information; addressed payment of insurance going forward.	
12/02/2014	Consulting fees - Corporate	Litwack
	Addressed insurance policy payment issue; discussions with banking department re daily reporting of receipts and disbursements; various correspondence with Amex re transfer of banking information to receiver's account; correspondence with prospective purchaser.	
12/03/2014	Consulting fees - Corporate	Da Silva-Falcione
	Review invoice for post-receiver services and email to N Litwack for review and approval.	
12/03/2014	Consulting fees - Corporate	Levy
	Calls and emails with Iqbal Moledina, Noah Litwack re: hotel operation issues, sales process, financial and tax information; emails and calls with Louis Fried regarding APS and review of APS.	
12/03/2014	Consulting fees - Corporate	Litwack
	Correspondence with hotel manager re financial statements; reviewed operations invoices for payment approval; discussions with H Levy re sales process materials.	
12/04/2014	Consulting fees - Corporate	Da Silva-Falcione
	Process WEPP claims; review Toronto Hydro invoice and forward to N. Litwack for payment approval.	
12/04/2014	Consulting fees - Corporate	Levy
	Review of the stalking horse bid and discussions with Noah Litwack, Robb English and Louis Fried; calls and emails with insurance broker regarding decision to cancel insurance policy by Aviva; emails with Robb English re: same; call with Munira Dewji.	
12/04/2014	Consulting fees - Corporate	Litwack
	Telephone and email correspondence with insurance broker re pending policy cancelation; correspondence with equipment lessor, Indcom; correspondence with L Fried, counsel for stalking horse bidder, re permitted	

encumbrances; review of file for franchise agreement;
started drafting receiver's second report to court.

12/05/2014	Consulting fees - Corporate	Da Silva-Falcione
	Discussion with N Litwack re: National Leasing and lease they have with Pembroke as guarantor; confirm that property forming subject matter of that lease is not affected by the receivership; call to Anna at National Leasing to confirm same and to advise that the guarantee provided by Pembroke on that lease is now invalid due to the receivership.	
12/05/2014	Consulting fees - Corporate	Litwack
	Correspondence with hotel manager re Indcom lease buyout; reviewed daily receipts; reviewed transaction posting and HST reporting going forward with banking department; began reconciling both bank accounts in to one cash flow model; worked on receiver's second report to court.	
12/07/2014	Consulting fees - Corporate	Litwack
	Reviewed November sales figures; worked on receiver's second report to court.	
12/08/2014	Consulting fees - Corporate	Da Silva-Falcione
	Process WEPP claims; review and process invoices from Victory Laundry and respond to inquiry re: last payment issued.	
12/08/2014	Consulting fees - Corporate	Levy
	Update discussions with Noah Litwack, Iqbal Moledina; review of management fees; emails with Robb English re: Munira Dewji; calls and emails with Louis Fried re: land parcel register, finalizing APA and associated schedules to the APA.	
12/08/2014	Consulting fees - Corporate	Litwack
	Reviewed daily receipts report; reviewed cheque request from bookkeeper re operations expenses; provided direction for payment of payroll; meeting with I Moledina re review of sales process materials and financial information for inclusion to data room.	
12/08/2014	Banking - Corporate	Samoilov
	Banking, posting.	
12/09/2014	Consulting fees - Corporate	Da Silva-Falcione
	Review invoices submitted and organize same in client directory; identify duplicate invoices re: Victory Laundry	

and submit only the non-duplicate invoices to
L Samoilov and N Litwack for payment.

12/09/2014	Consulting fees - Corporate	Levy
	Numerous emails with Iqbal Moledina regarding financial information and mortgage documents; email from Phil Thompson regarding mortgage documentation; review of the APA and final changes and discussions with Noah Litwack thereon including send to Fried for final sign off.	
12/09/2014	Consulting fees - Corporate	Litwack
	Provided direction to banking department re preparation of cheques and cash deposits; reviewed final agreement for purchase and sale; reviewed legal invoice; reviewed daily receipts report; worked on reconciliation of bank accounts to cash flow model.	
12/09/2014	Banking - Corporate	Samoilov
	Banking, posting.	
12/10/2014	Consulting fees - Corporate	Da Silva-Falcione
	Process WEPP payment letter.	
12/10/2014	Consulting fees - Corporate	Baigel
	Reconciliation of revenue recognized vs cash and credit card receipts, meet with N Litwack to review workings.	
12/10/2014	Consulting fees - Corporate	Levy
	Various calls and emails with Iqbal Moledina regarding financial data, data room; Follow up with Louis Fried regarding sign off of APA and bank draft.	
12/10/2014	Consulting fees - Corporate	Litwack
	Worked on reconciliation of sales with cash receipts; correspondence with hotel bookkeeper and I Moledina re same; email correspondence with Indcom re revised equipment lease payment; drafted updated statement of receipts and disbursements.	
12/10/2014	Banking - Corporate	Samoilov
	Banking, posting.	
12/11/2014	Consulting fees - Corporate	Litwack
	Reviewed daily receipts report; provided direction for processing remainder of cheques for the week; provided direction for posting of cash receipts; worked on cash reconciliation of sales.	

12/11/2014	Banking - Corporate Banking, posting.	Samoilov
12/12/2014	Consulting fees - Corporate Process WEPP claim.	Da Silva-Falcione
12/12/2014	Consulting fees - Corporate Reviewed proof of claim from B Joseph re WEPP denial of claim; correspondence with legal counsel and purchaser re agreement for purchase and sale; completed draft of receiver's second report to court.	Litwack
12/12/2014	Consulting fees - Corporate Revisions/reformatting report document with N Litwack.	Chopowick
12/12/2014	Banking - Corporate Banking, posting.	Samoilov
12/15/2014	Consulting fees - Corporate Various correspondence with hotel bookkeeper.	Litwack
12/15/2014	Banking - Corporate Banking, posting.	Samoilov
12/16/2014	Consulting fees - Corporate Review invoice from Rogers and forward to N Litwack for payment instructions; submit requisition for Rogers payment and draft letter to accompany same per N Litwack instructions.	Da Silva-Falcione
12/16/2014	Consulting fees - Corporate Reviewed and addressed various invoices re operations expenses; various correspondence with legal counsel re agreement of purchase and sale and receiver's report to court.	Litwack
12/16/2014	Banking - Corporate Banking, posting.	Samoilov
12/17/2014	Consulting fees - Corporate Various correspondence with legal counsel re updated sales process dates and revisions to report to court; review and approval of staff bonus structure; reviewed daily receipts report; correspondence with bookkeeper.	Litwack
12/17/2014	Banking - Corporate Banking, posting.	Samoilov

12/18/2014	Consulting fees - Corporate	Litwack
	Correspondence with prospective purchaser; reviewed daily receipts report; discussions with legal counsel re finalization of report and receipt of deposit funds.	
12/19/2014	Consulting fees - Corporate	Levy
	Numerous emails and discussions with Noah Litwack, Louis Friend and Robb English regarding deposit and finalizing APA; correspondence with Iqbal Moledina regarding update on stalking horse process.	
12/19/2014	Consulting fees - Corporate	Litwack
	Finalized report to court and appendices; reviewed expense requests and provided direction re same.	
12/19/2014	Banking - Corporate	Samoilov
	Review bank acc. activity; banking, posting.	
12/19/2014	Banking - Corporate	Samoilov
	Banking, posting.	
12/22/2014	Consulting fees - Corporate	Da Silva-Falcione
	Process WEPP payment letter; review invoices and email to N Litwack for payment approval; review insurance correspondence re: increased liability limits and email copy to N Litwack.	
12/22/2014	Consulting fees - Corporate	Hendriks
	Review and approve batch of payroll cheques.	
12/22/2014	Consulting fees - Corporate	Litwack
	Reviewed daily receipts; various correspondence with bookkeeper.	
12/22/2014	Banking - Corporate	Samoilov
	Banking, posting.	
12/22/2014	Banking - Corporate	Lloyd-Key
	Bank reconciliation for November 2014.	
12/23/2014	Consulting fees - Corporate	Levy
	Emails with Noah Litwack, Paula Hoosain, Maya Poliak regarding service list and documentation required for filing.	
12/24/2014	Banking - Corporate	Samoilov
	Banking, posting.	

12/29/2014	Consulting fees - Corporate Review/process re-directed mail.	Da Silva-Falcione
12/29/2014	Banking - Corporate Banking, posting.	Samoilov
12/30/2014	Banking - Corporate Banking, posting.	Samoilov
12/31/2014	Consulting fees - Corporate Website posting/updating.	Da Silva-Falcione
12/31/2014	Banking - Corporate Banking, posting.	Samoilov
01/05/2015	Consulting fees - Corporate Review/scan Hydro invoice; email to N Litwack requesting payment instructions/approval.	Da Silva-Falcione
01/05/2015	Consulting fees - Corporate Emails and discussion with Robb English regarding collateral mortgage counsel request for additional court date; review of emails from Maya Poliak	Levy
01/05/2015	Consulting fees - Corporate Reviewed critical expense for funding and approved cheque requests; reviewed receipts and revenue reconciliation for December.	Litwack
01/05/2015	Banking - Corporate Banking, posting.	Samoilov
01/06/2015	Consulting fees - Corporate Various correspondence with equipment lessor; correspondence with prospective purchasers; reviewed various invoices and expenses for approval and payment; reviewed deposits and HST schedule for December 2014.	Litwack
01/06/2015	Banking - Corporate Banking, posting.	Samoilov
01/07/2015	Consulting fees - Corporate Review Rogers invoice and email to N Litwack with recommendation on what portion to pay.	Da Silva-Falcione

01/07/2015	Consulting fees - Corporate Emails with Iqbal Moledina; discussions with Noah Litwack regarding sales process and newspaper advertisement.	Levy
01/07/2015	Consulting fees - Corporate Various correspondence with hotel manager re HST reconciliation; correspondence with interested parties re purchase of hotel; provided direction re payroll and cheque preparation; reviewed and edited newspaper ad for sales process.	Litwack
01/07/2015	Banking - Corporate Banking, posting.	Samoilov
01/08/2015	Consulting fees - Corporate Attend in Court for stalking horse approval and sales process approval; discussions with Robb English; emails with Munira Dewji.	Levy
01/08/2015	Consulting fees - Corporate Review form and price of ad for Toronto Star and Globe & Mail publications; various correspondence with interested parties; correspondence with equipment lessor, Indcom; reviewed petty cash reconciliation.	Litwack
01/08/2015	Banking - Corporate Review account activity, GL, and operating reports; posting JE adjustments.	Samoilov
01/09/2015	Consulting fees - Corporate Emails and discussions with Robb English regarding Munira Dewji; discussion with Iqbal Moledina.	Levy
01/09/2015	Consulting fees - Corporate Discussion with N Litwack re setting up data room; update website and upload documents.	Chopowick
01/09/2015	Consulting fees - Corporate Finalized opportunity teaser; discussions with H Levy re sales process commencement and marketing process; reviewed deposits; correspondence with interested parties; updated website preamble re marketing process and added court documents for download; email blast to list of prospective purchasers re commencement of sales process.	Litwack
01/09/2015	Banking - Corporate Banking, posting.	Samoilov

01/11/2015	Consulting fees - Corporate	Litwack
	Completed draft of Confidential Information Memorandum for addition to data room; correspondence with prospective purchaser.	
01/12/2015	Consulting fees - Corporate	Baigel
	Review of CIM, suggest amendments, check website.	
01/12/2015	Consulting fees - Corporate	Chopowick
	Provide approval to Globe & Mail to run ad re sales process.	
01/12/2015	Consulting fees - Corporate	Litwack
	Various correspondence with interested parties; reviewed draft CIM with H Levy and finalized same; drafted template agreement of purchase and sale for addition to data room; review with H Levy and R English re same.	
01/13/2015	Consulting fees - Corporate	Chopowick
	Set up data room re sales process.	
01/13/2015	Consulting fees - Corporate	Litwack
	Finalized all documents for data room and provided direction to A Chopowick re data room set up; various correspondence with interested parties.	
01/14/2015	Consulting fees - Corporate	Levy
	Emails and follow up discussions with Iqbal Moledina; emails with Noah Litwack re: sales process.	
01/14/2015	Consulting fees - Corporate	Chopowick
	Initiate invitations to be sent to interested parties to access data room.	
01/14/2015	Consulting fees - Corporate	Litwack
	Reviewed deposits and reconciled same; provided direction for giving access to data room to interested parties; correspondence with interested parties and hotel manager re site visits.	
01/14/2015	Banking - Corporate	Samoilov
	Banking, posting.	
01/15/2015	Consulting fees - Corporate	Litwack
	Attended at site; met with multiple prospective purchasers and showed them the property; various	

	correspondence with other prospective purchasers; reviewed HST reconciliation from hotel bookkeeper.	
01/16/2015	Consulting fees - Corporate Email to Toronto Star to request copy of tear sheet containing sales ad.	Chopowick
01/16/2015	Consulting fees - Corporate Various correspondence with prospective purchasers.	Litwack
01/16/2015	Banking - Corporate Banking, posting.	Samoilov
01/19/2015	Consulting fees - Corporate Set up access to data room for interested party.	Chopowick
01/19/2015	Consulting fees - Corporate Attended at premises; showed hotel to prospective purchaser; various correspondence with other prospective purchasers.	Litwack
01/19/2015	Banking - Corporate Banking, posting.	Samoilov
01/20/2015	Consulting fees - Corporate Various correspondence with prospective purchasers; reviewed deposits and transactions for reconciliation.	Litwack
01/21/2015	Consulting fees - Corporate Reviewed critical expense funding request and provided approval for payment of same; assisted with employee verification request; assisted with HST reconciliation; discussion with H Levy re sales process.	Litwack
01/22/2015	Consulting fees - Corporate Reinstate access to data room for interested party.	Chopowick
01/22/2015	Consulting fees - Corporate Calls with numerous interested parties regarding opportunity to purchase the property; discussions with Noah Litwack.	Levy
01/22/2015	Consulting fees - Corporate Various correspondence with prospective purchasers; added documents to the data room; discussions with H Levy re sales process status.	Litwack
01/22/2015	Banking - Corporate Banking, posting.	Samoilov

01/23/2015	Consulting fees - Corporate Various correspondence with prospective purchasers; correspondence with company bookkeeper re staff payroll.	Litwack
01/23/2015	Banking - Corporate Filing HST return for the period ending December 31, 2014.	Samoilov
01/26/2015	Consulting fees - Corporate Various correspondence with prospective purchasers; reconciled transactions; reviewed deposits; reviewed statistics for January month to date.	Litwack
01/26/2015	Banking - Corporate Banking, posting.	Samoilov
01/27/2015	Consulting fees - Corporate Attended at premises and showed hotel to prospective purchaser; various correspondence with other prospective purchasers; reviewed Moneris expense and charges.	Litwack
01/27/2015	Banking - Corporate Banking, posting.	Samoilov
01/28/2015	Banking - Corporate Banking, posting.	Samoilov
01/28/2015	Banking - Corporate Bank reconciliation for December 2014.	Lloyd-Key
01/29/2015	Consulting fees - Corporate Reviewed Bell correspondence and invoices and approved funding for payment of arrears (post-receivership); reviewed receipts; various correspondence with interested purchasers.	Litwack
01/29/2015	Banking - Corporate Banking, posting.	Samoilov
01/30/2015	Consulting fees - Corporate Correspondence with R English re newspaper ads and sales process.	Litwack

Expenses: Mail Redirection	\$ 176.22	Total for Services	\$ 92,236.00
Photocopies, faxes, etc.	<u>1,405.80</u>	Total for Expenses	<u>1,582.02</u>
		Subtotal	93,818.02
		HST	<u>11,990.68</u>
		Current Amount Due	<u>\$ 105,808.70</u>

HST#136800752RT0001

A. FARBER & PARTNERS INC.

PEMBROKE RESIDENCE LTD.

SUMMARY OF TIME INCURRED
JUNE 18, 2014 TO JANUARY 31, 2015

Name	Total Hours	Rate Per Hour	Billing
H. Levy	67.50	\$575.00	\$38,812.50
J. Hendriks	0.10	\$525.00	\$52.50
M. Baigel	0.70	\$480.00	\$336.00
N. Litwack	99.40	\$425.00	\$42,245.00
M. Castillo	1.00	\$175.00	\$175.00
L. Samoilov	44.70	\$165.00	\$7,375.50
L. Lloyd-Key	0.80	\$155.00	\$124.00
D. Falcione	18.50	\$155.00	\$2,867.50
A. Chopowick	1.60	\$155.00	\$248.00
Total	234.30		\$92,236.00

Tab I

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD..

Respondent

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

AFFIDAVIT OF JEREMY NEMERS
(Sworn February 17, 2015)

I, Jeremy Nemers, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY AS FOLLOWS:

1. I am an associate at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP has acted as counsel for A. Farber & Partners Inc. ("Farber"), in its capacity as Court-appointed receiver and manager of Pembroke Residence Ltd. and continues to do so.

2. Aird & Berlis LLP has prepared Statements of Account in connection with its mandate as counsel to Farber, namely,


(a) an account dated July 17, 2014 in respect of the period from June 19, 2014 to July 16, 2014. Attached hereto and marked as **Exhibit "A"** to this my affidavit is a copy of the Statement of Account. The average hourly rate of Aird & Berlis LLP is \$456.50;

(b) an account dated November 27, 2014 in respect of the period from July 16, 2014 to November 25, 2014. Attached hereto and marked as **Exhibit “B”** to this my affidavit is a copy of the Statement of Account. The average hourly rate of Aird & Berlis LLP is \$617.66;

(c) an account dated January 29, 2015 in respect of the period from November 25, 2014 to January 27, 2015. Attached hereto and marked as **Exhibit “C”** to this my affidavit is a copy of the Statement of Account. The average hourly rate of Aird & Berlis LLP is \$615.14; and

(d) an account dated February 17, 2015 in respect of the period from January 29, 2015 to January 30, 2015. Attached hereto and marked as **Exhibit “D”** to this my affidavit is a copy of the Statement of Account. The average hourly rate of Aird & Berlis LLP is \$775.00.

3. This Affidavit is made in support of a motion to, *inter alia*, approve the attached account of Aird & Berlis LLP and the fees and disbursements detailed therein and for no improper purpose.

SWORN before me at the City of)
Toronto, in the Province of Ontario)
This 17th day of February, 2015)
)
_____)
A Commissioner, etc.

JEREMY NEMERS

**ANDREI-TITUS TOTAN, a
Commisssioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 1, 2016.**

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF JEREMY NEMERS

Sworn before me

This 17th day of February, 2015

A handwritten signature in black ink, appearing to be "J. Nemers", is written over a horizontal line.

Commissioner for taking Affidavits, etc

A. FARBER & PARTNERS INC.***In its capacity as Court Appointed Receiver and Manager of Pembroke Residence Ltd.******July 17, 2014 Account***

Lawyer	Call to Bar	2014 average/hr	Total Time	Value
D.R. English	1980	750.00	10.80	8,100.00
H. Fogul	1975	750.00	0.30	225.00
A. Keon	2011	325.00	23.40	7,605.00
File Clerk				
Patrick Williams		155.00	0.60	93.00

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

A. Farber & Partners Inc.
1600 - 150 York Street
Toronto, ON
Canada M5H 3S5

Attention: Mr. Hylton Levy

Account No.: 486525

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13885/121125

July 17, 2014

Re: Pembroke Residence Ltd. (Receiver of)

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended July 16, 2014:

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	19/06/14	\$750.00	0.30	\$225.00	Telephone call with P. Taylor
DRE	20/06/14	\$750.00	0.20	\$150.00	Conflict check
DRE	24/06/14	\$750.00	0.10	\$75.00	Telephone call with H. Levy
DRE	25/06/14	\$750.00	0.40	\$300.00	Telephone call with H. Levy; Letter to P. Taylor
DRE	25/06/14	\$750.00	0.30	\$225.00	Letter to M. Poliak; Letter to H. Levy; Set up process
DRE	26/06/14	\$750.00	0.60	\$450.00	Letter to H. Levy; Letter to M. Poliak; Review and prepare samples for management contract; Review sales process
DRE	26/06/14	\$750.00	0.40	\$300.00	Review and assemble draft operation agreement; Set up call; Telephone call with H. Levy
DRE	26/06/14	\$750.00	0.20	\$150.00	Confer with real estate solicitor
DRE	27/06/14	\$750.00	0.50	\$375.00	Review sales process; Conference call with H. Levy and M. Poliak
DRE	27/06/14	\$750.00	0.30	\$225.00	Instruct A. Keon; Letter to H. Levy;

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Review timetable
AK	27/06/14	\$325.00	0.50	\$162.50	Meeting with R. English; Review file
AK	29/06/14	\$325.00	2.70	\$877.50	Review file; Prepare management agreement
DRE	30/06/14	\$750.00	0.80	\$600.00	Review draft management agreement; Letter to H. Levy
DRE	30/06/14	\$750.00	1.00	\$750.00	Review draft Affidavit of Moving Party; Review draft report; Review OP Agreement; Letter to all counsel, etc.
AK	30/06/14	\$325.00	1.90	\$617.50	Emails to and from R. English; Prepare management agreement
AK	01/07/14	\$325.00	2.80	\$910.00	Emails to and from R. English, H. Levy and M. Poliak; update management agreement
DRE	02/07/14	\$750.00	1.20	\$900.00	Revise draft Proposed Receiver report; Meet with A. Keon; Revise Management Agreement; Letter to M. Poliak; Telephone call with H. Levy
DRE	02/07/14	\$750.00	0.30	\$225.00	Review draft Order; Email with H. Levy
AK	02/07/14	\$325.00	2.10	\$682.50	Emails to and from R. English, M. Poliak; Meeting with R. English; Update management agreement
DRE	03/07/14	\$750.00	0.50	\$375.00	Revise report; Instruct A. Keon
AK	03/07/14	\$325.00	3.40	\$1,105.00	Emails to and from R. English, H. Levy, M. Poliak; Telephone calls with M. Poliak; Update agreements
HMF	04/07/14	\$750.00	0.30	\$225.00	Discussion with A. Keon re Management Agreement and Court Order
AK	04/07/14	\$325.00	5.90	\$1,917.50	Emails to and from M. Poliak, H. Levy; Update agreements; Meeting with M. Poliak; Meeting with H. Fogul; Telephone calls with H. Levy
DRE	07/07/14	\$750.00	0.60	\$450.00	Review and update with Alyssa and

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					moving counsel
AK	07/07/14	\$325.00	1.30	\$422.50	Emails to and from M. Poliak, R. English; Update agreements
PW	07/07/14	\$155.00	0.60	\$93.00	Filed Receiver's Report for July 8, 2014
DRE	08/07/14	\$750.00	2.00	\$1,500.00	Telephone call with H. Levy; Prepare and attend at Commercial Court; Review Management Agreement
DRE	08/07/14	\$750.00	0.20	\$150.00	Letter to H. Gerson; Letter to H. Levy
DRE	08/07/14	\$750.00	0.10	\$75.00	Letter to H. Gerson
AK	08/07/14	\$325.00	0.30	\$97.50	Emails to and from R. English
DRE	11/07/14	\$750.00	0.20	\$150.00	Instruct A. Keon
AK	11/07/14	\$325.00	0.40	\$130.00	Emails to and from H. Levy
DRE	14/07/14	\$750.00	0.30	\$225.00	Instruct A. Keon; Letter to M. Poliak; Review Management Agreement
DRE	14/07/14	\$750.00	0.30	\$225.00	Letter to M. Poliak; Instruct A. Keon; Letter to H. Levy; Instruct A. Keon
AK	14/07/14	\$325.00	1.90	\$617.50	Emails to and from A. Levy and M. Poliak; Telephone calls with H. Levy; Update management agreement
AK	16/07/14	\$325.00	0.20	\$65.00	Emails to and from M. Poliak and H. Levy
TOTAL:			35.10	\$16,023.00	

OUR FEE	\$16,023.00
HST at 13%	\$2,082.99

DISBURSEMENTS

Subject to HST

Photocopies - Local	\$166.75
Photocopies	\$113.50
Binding and Tabs	\$48.00
Deliveries/Parss	\$331.11

Total Disbursements
HST at 13%

\$659.36
\$85.72

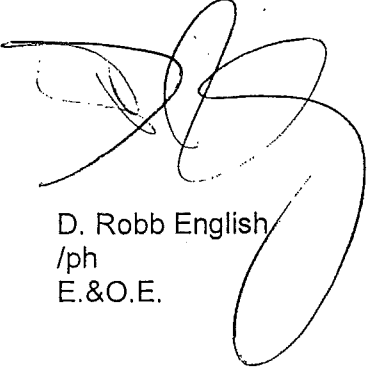
AMOUNT NOW DUE

\$18,851.07

SUMMARY

Name	Year of Call	Hours	Rate	Value
D. R. English (DRE)	01/01/80	10.80	\$750.00	\$8,100.00
Alyssa Keon (AK)	01/08/11	23.40	\$325.00	\$7,605.00
Harry Fogul (HMF)	01/01/75	0.30	\$750.00	\$225.00
Patrick Williams (PW)		0.60	\$155.00	\$93.00

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP



D. Robb English
/ph
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

18886557.1

Client: (13885) A. Farber & Partners Inc.
 Matter: (121125) Pembroke Residence Ltd. (Receiver of)

Matter Draft Report Matter Summary

Matter Information

Member Responsible

Client: (68) Harry Fogul
 Matter: (436) D. English
 Reference No.:
 Area of practice: (BY) Bankruptcy

Fee Quote: 0.00
 Disb. Quote: 0.00

Matter Balances

WIP Balance: 16,682.36
 AR Balance:
 Trust: 0.00

Write-Offs and Credit Notes

WIP WO: 0.00
 AR WO:
 Credit Notes:

Matter Budget:

Hours	0.00
Fee	0.00
Disbursements	0.00
AR Outstanding Limit	0.00
WIP Limit	0.00

Billing Information

Format: FullDetailsIncludesRate.doc S

Contact: Hylton Levy
 1600 - 150 York Street
 Toronto, ON Canada M5H 3S5

Phone: (416) 496.3070
 Email: hlevy@farberfinancial.com

Invoice Instructions:

Proposed Bill Value

Tax Name	Hours **	Value of Hours **	Fees ***	Disbursements***	Tax*	Total	Unapplied Interim Invoices
HST 13%	35.10	16,023.00	16,023.00	659.36	2,168.71	18,851.07	N/A
Total	35.10	16,023.00	16,023.00	659.36	2,168.71	18,851.07	

* The tax rate used on billed entries and those selected for billing is the rate based on invoice date, otherwise it is the current date.

** Includes chargeable and non-chargeable.

*** Excludes non-chargeable.

Client: (13885) A. Farber & Partners Inc.
Matter: (121125) Pembroke Residence Ltd. (Receiver
of)

Matter Draft Report Allocation

Member	Last time sheet	Unposted Hours*	Posted Hours	Working Rate	Credit Work	Proposed Manual Override
(68) Fogul, H.	07/04/2014	0.00	0.30	750.00	225.00	
(107) Williams, P.	07/07/2014	0.00	0.60	155.00	93.00	
(436) English, D.R	07/14/2014	0.00	10.80	750.00	8,100.00	
(1481) Keon, A.	07/16/2014	0.00	23.40	325.00	7,605.00	
Total :		0.00	35.10	495.00	16,023.00	

* This includes all un-posted time and future dated entries (if any).

Client: (13885) A. Farber & Partners Inc.
 Matter: (121125) Pembroke Residence Ltd. (Receiver
 of)

Matter Draft Report

From: 12/30/1899 To: 07/17/2014

Date	Member	Code	Time Entry Description	Entry		Cumulative	
				Hours	Value	Hours	Value
Chargeable							
06/19/2014	(436) DRE	(TC)	Telephone call with P. Taylor	0.30	225.00	0.30	225.00
06/20/2014	(436) DRE	(NC)	Conflict check	0.20	150.00	0.50	375.00
06/24/2014	(436) DRE	(TC)	Telephone call with H. Levy	0.10	75.00	0.60	450.00
06/25/2014	(436) DRE	(LT)	Letter to M. Poliak; Letter to H. Levy; Set up process	0.30	225.00	0.90	675.00
06/25/2014	(436) DRE	(TC)	Telephone call with H. Levy; Letter to P. Taylor	0.40	300.00	1.30	975.00
06/26/2014	(436) DRE	(CW)	Confer with real estate solicitor	0.20	150.00	1.50	1,125.00
06/26/2014	(436) DRE	(RW)	Review and assemble draft operation agreement; Set up call; Telephone call with H. Levy	0.40	300.00	1.90	1,425.00
06/26/2014	(436) DRE	(LT)	Letter to H. Levy; Letter to M. Poliak; Review and prepare samples for management contract; Review sales process	0.60	450.00	2.50	1,875.00
06/27/2014	(436) DRE	(IS)	Instruct A. Keon; Letter to H. Levy; Review timetable	0.30	225.00	2.80	2,100.00
06/27/2014	(436) DRE	(RW)	Review sales process; Conference call with H. Levy and M. Poliak	0.50	375.00	3.30	2,475.00
06/27/2014	(1481) AK	(MT)	Meeting with R. English; Review file	0.50	162.50	3.80	2,637.50
06/29/2014	(1481) AK	(RW)	Review file; Prepare management agreement	2.70	877.50	6.50	3,515.00
06/30/2014	(436) DRE	(RW)	Review draft Affidavit of Moving Party; Review draft report; Review OP Agreement; Letter to all counsel, etc.	1.00	750.00	7.50	4,265.00
06/30/2014	(436) DRE	(RW)	Review draft management agreemet; Letter to H. Levy	0.80	600.00	8.30	4,865.00
06/30/2014	(1481) AK	(NC)	Emails to and from R. English; Prepare management agreement	1.90	617.50	10.20	5,482.50
07/01/2014	(1481) AK	(NC)	Emails to and from R. English, H. Levy and M. Poliak; update management agreement	2.80	910.00	13.00	6,392.50
07/02/2014	(436) DRE	(RW)	Review draft Order; Email with H. Levy	0.30	225.00	13.30	6,617.50
07/02/2014	(436) DRE	(RV)	Revise draft Proposed Receiver report; Meet with A. Keon; Revise Management Agreement; Letter to M. Poliak; Telephone call with H. Levy	1.20	900.00	14.50	7,517.50
07/02/2014	(1481) AK	(NC)	Emails to and from R. English, M. Poliak; Meeting with R. English; Update management agreement	2.10	682.50	16.60	8,200.00
07/03/2014	(436) DRE	(RV)	Revise report; Instruct A. Keon	0.50	375.00	17.10	8,575.00
07/03/2014	(1481) AK	(NC)	Emails to and from R. English, H. Levy, M. Poliak; Telephone calls with M. Poliak; Update agreements	3.40	1,105.00	20.50	9,680.00
07/04/2014	(68) HMF	(DW)	Discussion with A. Keon re Management Agreement and Court Order	0.30	225.00	20.80	9,905.00
07/04/2014	(1481) AK	(EM)	Emails to and from M. Poliak, H. Levy; Update agreements; Meeting with M. Poliak; Meeting with H. Fogul; Telephone calls with H. Levy	5.90	1,917.50	26.70	11,822.50
07/07/2014	(436) DRE	(RW)	Review and update with Alyssa and moving counsel	0.60	450.00	27.30	12,272.50
07/07/2014	(1481) AK	(EM)	Emails to and from M. Poliak, R. English; Update agreements	1.30	422.50	28.60	12,695.00
07/07/2014	(107) PW	(XX)	Filed Receiver's Report for July 8, 2014	0.60	93.00	29.20	12,788.00
07/08/2014	(436) DRE	(LT)	Letter to H. Gerson; Letter to H. Levy	0.20	150.00	29.40	12,938.00
07/08/2014	(436) DRE	(LT)	Letter to H. Gerson	0.10	75.00	29.50	13,013.00
07/08/2014	(436) DRE	(TC)	Telephone call with H. Levy; Prepare and attend at Commercial Court; Review Management Agreement	2.00	1,500.00	31.50	14,513.00
07/08/2014	(1481) AK	(EM)	Emails to and from R. English	0.30	97.50	31.80	14,610.50
07/11/2014	(436) DRE	(IS)	Instruct A. Keon	0.20	150.00	32.00	14,760.50
07/11/2014	(1481) AK	(EM)	Emails to and from H. Levy	0.40	130.00	32.40	14,890.50
07/14/2014	(436) DRE	(LT)	Letter to M. Poliak; Instruct A. Keon; Letter to H. Levy; Instruct A. Keon	0.30	225.00	32.70	15,115.50
07/14/2014	(436) DRE	(IS)	Instruct A. Keon; Letter to M. Poliak; Review Management Agreement	0.30	225.00	33.00	15,340.50

Client: (13885) A. Farber & Partners Inc.
 Matter: (121125) Pembroke Residence Ltd. (Receiver
 of)

Matter Draft Report

From: 12/30/1899 To: 07/17/2014

Date	Member	Code	Time Entry Description	Entry		Cumulative	
				Hours	Value	Hours	Value
Chargeable							
06/19/2014	(436) DRE	(TC)	Telephone call with P. Taylor	0.30	225.00	0.30	225.00
06/20/2014	(436) DRE	(NC)	Conflict check	0.20	150.00	0.50	375.00
06/24/2014	(436) DRE	(TC)	Telephone call with H. Levy	0.10	75.00	0.60	450.00
06/25/2014	(436) DRE	(LT)	Letter to M. Poliak; Letter to H. Levy; Set up process	0.30	225.00	0.90	675.00
06/25/2014	(436) DRE	(TC)	Telephone call with H. Levy; Letter to P. Taylor	0.40	300.00	1.30	975.00
06/26/2014	(436) DRE	(CW)	Confer with real estate solicitor	0.20	150.00	1.50	1,125.00
06/26/2014	(436) DRE	(RW)	Review and assemble draft operation agreement; Set up call; Telephone call with H. Levy	0.40	300.00	1.90	1,425.00
06/26/2014	(436) DRE	(LT)	Letter to H. Levy; Letter to M. Poliak; Review and prepare samples for management contract; Review sales process	0.60	450.00	2.50	1,875.00
06/27/2014	(436) DRE	(IS)	Instruct A. Keon; Letter to H. Levy; Review timetable	0.30	225.00	2.80	2,100.00
06/27/2014	(436) DRE	(RW)	Review sales process; Conference call with H. Levy and M. Poliak	0.50	375.00	3.30	2,475.00
06/27/2014	(1481) AK	(MT)	Meeting with R. English; Review file	0.50	162.50	3.80	2,637.50
06/29/2014	(1481) AK	(RW)	Review file; Prepare management agreement	2.70	877.50	6.50	3,515.00
06/30/2014	(436) DRE	(RW)	Review draft Affidavit of Moving Party; Review draft report; Review OP Agreement; Letter to all counsel, etc.	1.00	750.00	7.50	4,265.00
06/30/2014	(436) DRE	(RW)	Review draft management agreemet; Letter to H. Levy	0.80	600.00	8.30	4,865.00
06/30/2014	(1481) AK	(NC)	Emails to and from R. English; Prepare management agreement	1.90	617.50	10.20	5,482.50
07/01/2014	(1481) AK	(NC)	Emails to and from R. English, H. Levy and M. Poliak; update management agreement	2.80	910.00	13.00	6,392.50
07/02/2014	(436) DRE	(RW)	Review draft Order; Email with H. Levy	0.30	225.00	13.30	6,617.50
07/02/2014	(436) DRE	(RV)	Revise draft Proposed Receiver report; Meet with A. Keon; Revise Management Agreement; Letter to M. Poliak; Telephone call with H. Levy	1.20	900.00	14.50	7,517.50
07/02/2014	(1481) AK	(NC)	Emails to and from R. English, M. Poliak; Meeting with R. English; Update management agreement	2.10	682.50	16.60	8,200.00
07/03/2014	(436) DRE	(RV)	Revise report; Instruct A. Keon	0.50	375.00	17.10	8,575.00
07/03/2014	(1481) AK	(NC)	Emails to and from R. English, H. Levy, M. Poliak; Telephone calls with M. Poliak; Update agreements	3.40	1,105.00	20.50	9,680.00
07/04/2014	(68) HMF	(DW)	Discussion with A. Keon re Management Agreement and Court Order	0.30	225.00	20.80	9,905.00
07/04/2014	(1481) AK	(EM)	Emails to and from M. Poliak, H. Levy; Update agreements; Meeting with M. Poliak; Meeting with H. Fogul; Telephone calls with H. Levy	5.90	1,917.50	26.70	11,822.50
07/07/2014	(436) DRE	(RW)	Review and update with Alyssa and moving counsel	0.60	450.00	27.30	12,272.50
07/07/2014	(1481) AK	(EM)	Emails to and from M. Poliak, R. English; Update agreements	1.30	422.50	28.60	12,695.00
07/07/2014	(107) PW	(XX)	Filed Receiver's Report for July 8, 2014	0.60	93.00	29.20	12,788.00
07/08/2014	(436) DRE	(LT)	Letter to H. Gerson; Letter to H. Levy	0.20	150.00	29.40	12,938.00
07/08/2014	(436) DRE	(LT)	Letter to H. Gerson	0.10	75.00	29.50	13,013.00
07/08/2014	(436) DRE	(TC)	Telephone call with H. Levy; Prepare and attend at Commercial Court; Review Management Agreement	2.00	1,500.00	31.50	14,513.00
07/08/2014	(1481) AK	(EM)	Emails to and from R. English	0.30	97.50	31.80	14,610.50
07/11/2014	(436) DRE	(IS)	Instruct A. Keon	0.20	150.00	32.00	14,760.50
07/11/2014	(1481) AK	(EM)	Emails to and from H. Levy	0.40	130.00	32.40	14,890.50
07/14/2014	(436) DRE	(LT)	Letter to M. Poliak; Instruct A. Keon; Letter to H. Levy; Instruct A. Keon	0.30	225.00	32.70	15,115.50
07/14/2014	(436) DRE	(IS)	Instruct A. Keon; Letter to M. Poliak; Review Management Agreement	0.30	225.00	33.00	15,340.50

Client: (13885) A. Farber & Partners Inc.
 Matter: (121125) Pembroke Residence Ltd. (Receiver
 of)

Matter Draft Report

From: 12/30/1899 To: 07/17/2014

Date	Member	Code	Time Entry Description	Entry		Cumulative	
				Hours	Value	Hours	Value
Chargeable							
06/19/2014	(436) DRE	(TC)	Telephone call with P. Taylor	0.30	225.00	0.30	225.00
06/20/2014	(436) DRE	(NC)	Conflict check	0.20	150.00	0.50	375.00
06/24/2014	(436) DRE	(TC)	Telephone call with H. Levy	0.10	75.00	0.60	450.00
06/25/2014	(436) DRE	(LT)	Letter to M. Poliak; Letter to H. Levy; Set up process	0.30	225.00	0.90	675.00
06/25/2014	(436) DRE	(TC)	Telephone call with H. Levy; Letter to P. Taylor	0.40	300.00	1.30	975.00
06/26/2014	(436) DRE	(CW)	Confer with real estate solicitor	0.20	150.00	1.50	1,125.00
06/26/2014	(436) DRE	(RW)	Review and assemble draft operation agreement; Set up call; Telephone call with H. Levy	0.40	300.00	1.90	1,425.00
06/26/2014	(436) DRE	(LT)	Letter to H. Levy; Letter to M. Poliak; Review and prepare samples for management contract; Review sales process	0.60	450.00	2.50	1,875.00
06/27/2014	(436) DRE	(IS)	Instruct A. Keon; Letter to H. Levy; Review timetable	0.30	225.00	2.80	2,100.00
06/27/2014	(436) DRE	(RW)	Review sales process; Conference call with H. Levy and M. Poliak	0.50	375.00	3.30	2,475.00
06/27/2014	(1481) AK	(MT)	Meeting with R. English; Review file	0.50	162.50	3.80	2,637.50
06/29/2014	(1481) AK	(RW)	Review file; Prepare management agreement	2.70	877.50	6.50	3,515.00
06/30/2014	(436) DRE	(RW)	Review draft Affidavit of Moving Party; Review draft report; Review OP Agreement; Letter to all counsel, etc.	1.00	750.00	7.50	4,265.00
06/30/2014	(436) DRE	(RW)	Review draft management agreemet; Letter to H. Levy	0.80	600.00	8.30	4,865.00
06/30/2014	(1481) AK	(NC)	Emails to and from R. English; Prepare management agreement	1.90	617.50	10.20	5,482.50
07/01/2014	(1481) AK	(NC)	Emails to and from R. English, H. Levy and M. Poliak; update management agreement	2.80	910.00	13.00	6,392.50
07/02/2014	(436) DRE	(RW)	Review draft Order; Email with H. Levy	0.30	225.00	13.30	6,617.50
07/02/2014	(436) DRE	(RV)	Revise draft Proposed Receiver report; Meet with A. Keon; Revise Management Agreement; Letter to M. Poliak; Telephone call with H. Levy	1.20	900.00	14.50	7,517.50
07/02/2014	(1481) AK	(NC)	Emails to and from R. English, M. Poliak; Meeting with R. English; Update management agreement	2.10	682.50	16.60	8,200.00
07/03/2014	(436) DRE	(RV)	Revise report; Instruct A. Keon	0.50	375.00	17.10	8,575.00
07/03/2014	(1481) AK	(NC)	Emails to and from R. English, H. Levy, M. Poliak; Telephone calls with M. Poliak; Update agreements	3.40	1,105.00	20.50	9,680.00
07/04/2014	(68) HMF	(DW)	Discussion with A. Keon re Management Agreement and Court Order	0.30	225.00	20.80	9,905.00
07/04/2014	(1481) AK	(EM)	Emails to and from M. Poliak, H. Levy; Update agreements; Meeting with M. Poliak; Meeting with H. Fogul; Telephone calls with H. Levy	5.90	1,917.50	26.70	11,822.50
07/07/2014	(436) DRE	(RW)	Review and update with Alyssa and moving counsel	0.60	450.00	27.30	12,272.50
07/07/2014	(1481) AK	(EM)	Emails to and from M. Poliak, R. English; Update agreements	1.30	422.50	28.60	12,695.00
07/07/2014	(107) PW	(XX)	Filed Receiver's Report for July 8, 2014	0.60	93.00	29.20	12,788.00
07/08/2014	(436) DRE	(LT)	Letter to H. Gerson; Letter to H. Levy	0.20	150.00	29.40	12,938.00
07/08/2014	(436) DRE	(LT)	Letter to H. Gerson	0.10	75.00	29.50	13,013.00
07/08/2014	(436) DRE	(TC)	Telephone call with H. Levy; Prepare and attend at Commercial Court; Review Management Agreement	2.00	1,500.00	31.50	14,513.00
07/08/2014	(1481) AK	(EM)	Emails to and from R. English	0.30	97.50	31.80	14,610.50
07/11/2014	(436) DRE	(IS)	Instruct A. Keon	0.20	150.00	32.00	14,760.50
07/11/2014	(1481) AK	(EM)	Emails to and from H. Levy	0.40	130.00	32.40	14,890.50
07/14/2014	(436) DRE	(LT)	Letter to M. Poliak; Instruct A. Keon; Letter to H. Levy; Instruct A. Keon	0.30	225.00	32.70	15,115.50
07/14/2014	(436) DRE	(IS)	Instruct A. Keon; Letter to M. Poliak; Review Management Agreement	0.30	225.00	33.00	15,340.50

Client: (13885) A. Farber & Partners Inc.
Matter: (121125) Pembroke Residence Ltd. (Receiver
of)

Matter Draft Report

From: 12/30/1899 To: 07/17/2014

Date	Member	Code	Time Entry Description	Entry		Cumulative	
				Hours	Value	Hours	Value
07/14/2014	(1481) AK	(EM)	Emails to and from A. Levy and M. Poliak; Telephone calls with H. Levy; Update management agreement	1.90	617.50	34.90	15,958.00
07/16/2014	(1481) AK	(EM)	Emails to and from M. Poliak and H. Levy	0.20	65.00	35.10	16,023.00

36 Transaction(s)

Client: (13885) A. Farber & Partners Inc.

Matter: (121125) Pembroke Residence Ltd. (Receiver
of)**Matter Draft Report**

From: 12/30/1899 To: 07/17/2014

Date	Member	Code	Disbursement Entry Description	Entry Value	Cumulative Value
Chargeable					
06/27/2014	(910) ACCT	(105)	Printer Copies	8.50	8.50
06/27/2014	(910) ACCT	(105)	Printer Copies	5.50	14.00
06/27/2014	(910) ACCT	(105)	Printer Copies	8.00	22.00
06/27/2014	(910) ACCT	(105)	Printer Copies	1.25	23.25
06/27/2014	(910) ACCT	(105)	Printer Copies	13.25	36.50
07/04/2014	(910) ACCT	(01)	Photocopies	9.00	45.50
07/04/2014	(910) ACCT	(01)	Photocopies	93.00	138.50
07/04/2014	(910) ACCT	(105)	Printer Copies	72.25	210.75
07/04/2014	(910) ACCT	(105)	Printer Copies	6.50	217.25
07/04/2014	(910) ACCT	(105)	Printer Copies	2.00	219.25
07/04/2014	(910) ACCT	(105)	Printer Copies	7.25	226.50
07/04/2014	(910) ACCT	(105)	Printer Copies	7.25	233.75
07/04/2014	(910) ACCT	(105)	Printer Copies	2.25	236.00
07/04/2014	(910) ACCT	(105)	Printer Copies	2.00	238.00
07/04/2014	(910) ACCT	(105)	Printer Copies	6.50	244.50
07/04/2014	(910) ACCT	(BC)	Binding and Tabs	6.75	251.25
07/04/2014	(910) ACCT	(BC)	Binding and Tabs	18.00	269.25
07/04/2014	(910) ACCT	(BC)	Binding and Tabs	4.50	273.75
07/04/2014	(910) ACCT	(BC)	Binding and Tabs	10.50	284.25
07/04/2014	(910) ACCT	(BC)	Binding and Tabs	4.00	288.25
07/04/2014	(910) ACCT	(BC)	Binding and Tabs	1.00	289.25
07/04/2014	(436) DRE	(DE)	Deliveries/Parss 1 Front St. W.	8.00	297.25
07/04/2014	(436) DRE	(DE)	Deliveries/Parss 117 Strathearn Ave	59.80	357.05
07/04/2014	(436) DRE	(DE)	Deliveries/Parss 700Dorval Drive Un	59.80	416.85
07/04/2014	(436) DRE	(DE)	Deliveries/Parss 5745 Atlantic Ave.	55.85	472.70
07/04/2014	(436) DRE	(DE)	Deliveries/Parss 2158 Armstrong St.	17.03	489.73
07/04/2014	(436) DRE	(DE)	Deliveries/Parss 5061 Ure St.	17.03	506.76
07/04/2014	(436) DRE	(DE)	Deliveries/Parss 33 King St. W.	73.60	580.36
07/04/2014	(436) DRE	(DE)	Deliveries/Parss 5100Yonge St. Lowe	32.00	612.36
07/04/2014	(25) JPT	(DE)	Deliveries/Parss 117 Pembroke Ave.	8.00	620.36
07/07/2014	(910) ACCT	(01)	Photocopies	1.25	621.61
07/07/2014	(910) ACCT	(01)	Photocopies	10.25	631.86
07/07/2014	(910) ACCT	(105)	Printer Copies	6.75	638.61
07/07/2014	(910) ACCT	(105)	Printer Copies	6.50	645.11
07/07/2014	(910) ACCT	(105)	Printer Copies	1.25	646.36
07/07/2014	(910) ACCT	(BC)	Binding and Tabs	2.00	648.36
07/07/2014	(910) ACCT	(BC)	Binding and Tabs	0.50	648.86
07/07/2014	(910) ACCT	(BC)	Binding and Tabs	0.75	649.61
07/08/2014	(910) ACCT	(105)	Printer Copies	3.00	652.61
07/08/2014	(910) ACCT	(105)	Printer Copies	6.75	659.36

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF JEREMY NEMERS

Sworn before me

This 17th day of February, 2015

A handwritten signature in black ink, appearing to be "T. B. Smith", is written over a horizontal line.

Commissioner for taking Affidavits, etc

A. FARBER & PARTNERS INC.*In its capacity as Court Appointed Receiver and Manager of Pembroke Residence Ltd.**November 27, 2014 Account*

Lawyer	Call to Bar	2014/hr	Total Time	Value
D.R. English	1980	750.00	10.30	7,725.00
J.T. Nemers	2014	280.00	3.80	1,064.00
Banking Clerk				
A. Purushotham		160.00	0.10	16.00
Real Estate Clerk				
K. Connell		275.00	0.10	27.50

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

A. Farber & Partners Inc.
1600 - 150 York Street
Toronto, ON
Canada M5H 3S5

Attention: Mr. Hylton Levy

Account No.: 496220

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13885/121125

November 27, 2014

Re: Pembroke Residence Ltd. (Receiver of)

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended November 25, 2014:

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	16/07/14	\$750.00	0.10	\$75.00	Letter and instruct A. Keon
DRE	16/07/14	\$750.00	0.30	\$225.00	Letter to and telephone call with M. Poliak; Letter to H. Levy
DRE	17/07/14	\$750.00	0.50	\$375.00	Telephone call with H. Gerson; Letter to H. Levy
DRE	17/07/14	\$750.00	0.40	\$300.00	Letter to and deal with settlement issues
DRE	17/07/14	\$750.00	0.20	\$150.00	Letter to M. Poliak
DRE	18/07/14	\$750.00	0.30	\$225.00	Review Order; Letter to M. Poliak
DRE	21/07/14	\$750.00	0.20	\$150.00	Letter to M. Poliak
DRE	21/07/14	\$750.00	0.20	\$150.00	Review final adjournment terms
DRE	29/07/14	\$750.00	0.30	\$225.00	Telephone call with equipment lessor
DRE	14/08/14	\$750.00	0.10	\$75.00	Telephone call with H. Levy
DRE	29/08/14	\$750.00	0.30	\$225.00	Letter to H. Levy; Letter to M. Poliak; Review forbearance

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	03/09/14	\$750.00	0.10	\$75.00	Review terms of adjournment
DRE	06/10/14	\$750.00	0.30	\$225.00	Letter to M. Poliak; Letter to H. Levy; Discussion with H. Levy
DRE	08/10/14	\$750.00	0.10	\$75.00	Telephone call from a creditor
DRE	09/10/14	\$750.00	0.10	\$75.00	Telephone call from creditor
DRE	10/10/14	\$750.00	0.10	\$75.00	Email regarding payout statement
DRE	16/10/14	\$750.00	0.20	\$150.00	Letters and update with H. Levy
DRE	17/10/14	\$750.00	0.40	\$300.00	Review appointment order; Review and forward management agreement; Letters to M. Poliak
DRE	17/10/14	\$750.00	0.20	\$150.00	Receive and review issued orders
DRE	22/10/14	\$750.00	0.30	\$225.00	Letter to and telephone call with H. Levy
DRE	23/10/14	\$750.00	0.20	\$150.00	Letter to H. Levy regarding various proposals; Create service list
DRE	27/10/14	\$750.00	0.30	\$225.00	Deal with sale process; Letter to H. Levy and M. Poliak
DRE	31/10/14	\$750.00	0.60	\$450.00	Review mortgage agreement; Letter to M. Poliak; Letters to H. Levy
DRE	03/11/14	\$750.00	0.10	\$75.00	Letter to M. Poliak and H. Levy
DRE	04/11/14	\$750.00	0.20	\$150.00	Letter to H. Levy; Review management agreement; Letter to M. Poliak
DRE	04/11/14	\$750.00	0.50	\$375.00	Review revised management agreement; Letter to M. Poliak re section 7.05; Review appraisal proposal; Letter and comment to H. Levy
DRE	04/11/14	\$750.00	0.30	\$225.00	Review time lines; Letter to H. Levy
DRE	05/11/14	\$750.00	0.10	\$75.00	Review DAS issue; Letter to H. Levy
DRE	05/11/14	\$750.00	0.30	\$225.00	Comment on assignment; Telephone call with E. Randle

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	12/11/14	\$750.00	0.30	\$225.00	Letter to and telephone call with Receiver; Update time schedule and execution of management agreement
DRE	14/11/14	\$750.00	0.10	\$75.00	Review and update with H. Levy
DRE	19/11/14	\$750.00	0.10	\$75.00	Review and update; Telephone call with H. Levy
DRE	19/11/14	\$750.00	0.40	\$300.00	Telephone call with H. Levy regarding stalking horse and process
DRE	19/11/14	\$750.00	0.30	\$225.00	Instruct J. Nemers regarding stalking horse bid
JTN	19/11/14	\$280.00	0.20	\$56.00	Receive instruction from R. English re drafting of Stalking Horse Bid materials
DRE	21/11/14	\$750.00	0.20	\$150.00	Letter to H. Levy regarding deemed trust; Instruct regarding stalking horse
JTN	21/11/14	\$280.00	1.80	\$504.00	Prepare draft Stalking Horse Bid Agreement of Purchase and Sale
AP	21/11/14	\$160.00	0.10	\$16.00	Conducted preliminary searcher on Hands-On Capital Inc. and reported same
DRE	24/11/14	\$750.00	0.20	\$150.00	Letter to Iqbal Moledina regarding deemed trust
DRE	24/11/14	\$750.00	0.40	\$300.00	Letter to creditor; Telephone call with H. Levy
JTN	24/11/14	\$280.00	1.80	\$504.00	Prepare draft Stalking Horse Order and accompanying schedule re terms and conditions for R. English
KC	25/11/14	\$275.00	0.10	\$27.50	Obtain copy of parcel abstract re 117 Pembroke Street, Toronto
DRE	25/11/14	\$750.00	0.80	\$600.00	Review stalking horse offer; Letter to H. Levy
DRE	25/11/14	\$750.00	0.20	\$150.00	Letter to H. Levy
TOTAL:			14.30	\$8,832.50	

OUR FEE	\$8,832.50
HST at 13%	\$1,148.23

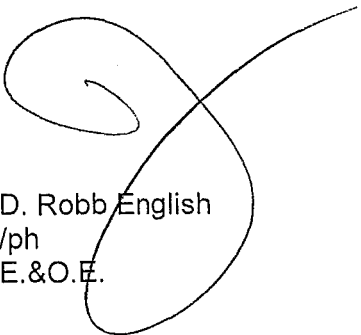
DISBURSEMENTS

Subject to HST

Long Distance Charges	\$1.34
Photocopies - Local	\$13.00
Fax Charges	\$1.00
Total Disbursements	\$15.34
HST at 13%	\$1.99

AMOUNT NOW DUE	<u>\$9,998.06</u>
----------------	-------------------

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP



D. Robb English
/ph
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

20770680.1

Client: (13885) A. Farber & Partners Inc.
 Matter: (121125) Pembroke Residence Ltd. (Receiver
 of)

Matter Draft Report Matter Summary

Matter Information

Member Responsible

Client: (68) Harry Fogul
 Matter: (436) D. English
 Reference No.:
 Area of practice: (BY) Bankruptcy

Fee Quote: 0.00
 Disb. Quote: 0.00

Matter Balances

WIP Balance: 8,847.84
 AR Balance: 18,851.07
 Trust: 0.00

Write-Offs and Credit Notes

WIP WO: 0.00
 AR WO:
 Credit Notes: 0.00

Matter Budget:

Hours	0.00
Fee	0.00
Disbursements	0.00
AR Outstanding Limit	0.00
WIP Limit	0.00

Billing Information

Format: FullDetailsIncludesRate.doc S

Contact: Hylton Levy
 1600 - 150 York Street
 Toronto, ON Canada M5H 3S5

Phone: (416) 496.3070
 Email: hlevy@farberfinancial.com

Invoice Instructions:

Proposed Bill Value

Tax Name	Hours **	Value of Hours **	Fees ***	Disbursements***	Tax*	Total	Unapplied Interim Invoices
HST 13%	14.30	8,832.50	8,832.50	15.34	1,150.22	9,998.06	N/A
Total	14.30	8,832.50	8,832.50	15.34	1,150.22	9,998.06	

* The tax rate used on billed entries and those selected for billing is the rate based on invoice date, otherwise it is the current date.

** Includes chargeable and non-chargeable.

*** Excludes non-chargeable.

Client: (13885) A. Farber & Partners Inc.
Matter: (121125) Pembroke Residence Ltd. (Receiver
of)

Matter Draft Report
Allocation

Member	Last time sheet	Unposted Hours*	Posted Hours	Working Rate	Credit Work	Proposed Manual Override
(436) English, D.R	11/25/2014	0.00	10.30	750.00	7,725.00	
(1252) Connell, K.	11/25/2014	0.00	0.10	275.00	27.50	
(1591) Purushotham, A.	11/21/2014	0.00	0.10	160.00	16.00	
(1642) Nemers, J.T	11/24/2014	0.00	3.80	280.00	1,064.00	
Total :		0.00	14.30	366.25	8,832.50	

* This includes all un-posted time and future dated entries (if any).

Client: (13885) A. Farber & Partners Inc.
 Matter: (121125) Pembroke Residence Ltd. (Receiver
 of)

Matter Draft Report

From: 12/30/1899 To: 11/27/2014

Date	Member	Code	Time Entry Description	Entry		Cumulative	
				Hours	Value	Hours	Value
Chargeable							
07/16/2014	(436) DRE	(LT)	Letter to and telephone call with M. Poliak; Letter to H. Levy	0.30	225.00	0.30	225.00
07/16/2014	(436) DRE	(LT)	Letter and instruct A. Keon	0.10	75.00	0.40	300.00
07/17/2014	(436) DRE	(LT)	Letter to and deal with settlement issues	0.40	300.00	0.80	600.00
07/17/2014	(436) DRE	(LT)	Letter to M. Poliak	0.20	150.00	1.00	750.00
07/17/2014	(436) DRE	(TC)	Telephone call with H. Gerson; Letter to H. Levy	0.50	375.00	1.50	1,125.00
07/18/2014	(436) DRE	(RW)	Review Order; Letter to M. Poliak	0.30	225.00	1.80	1,350.00
07/21/2014	(436) DRE	(LT)	Letter to M. Poliak	0.20	150.00	2.00	1,500.00
07/21/2014	(436) DRE	(RW)	Review final adjournment terms	0.20	150.00	2.20	1,650.00
07/29/2014	(436) DRE	(TC)	Telephone call with equipment lessor	0.30	225.00	2.50	1,875.00
08/14/2014	(436) DRE	(TC)	Telephone call with H. Levy	0.10	75.00	2.60	1,950.00
08/29/2014	(436) DRE	(LT)	Letter to H. Levy; Letter to M. Poliak; Review forbearance	0.30	225.00	2.90	2,175.00
09/03/2014	(436) DRE	(RW)	Review terms of adjournment	0.10	75.00	3.00	2,250.00
10/06/2014	(436) DRE	(LT)	Letter to M. Poliak; Letter to H. Levy; Discussion with H. Levy	0.30	225.00	3.30	2,475.00
10/08/2014	(436) DRE	(TC)	Telephone call from a creditor	0.10	75.00	3.40	2,550.00
10/09/2014	(436) DRE	(TC)	Telephone call from creditor	0.10	75.00	3.50	2,625.00
10/10/2014	(436) DRE	(EM)	Email regarding payout statement	0.10	75.00	3.60	2,700.00
10/16/2014	(436) DRE	(LT)	Letters and update with H. Levy	0.20	150.00	3.80	2,850.00
10/17/2014	(436) DRE	(RE)	Receive and review issued orders	0.20	150.00	4.00	3,000.00
10/17/2014	(436) DRE	(RW)	Review appointment order; Review and forward management agreement; Letters to M. Poliak	0.40	300.00	4.40	3,300.00
10/22/2014	(436) DRE	(LT)	Letter to and telephone call with H. Levy	0.30	225.00	4.70	3,525.00
10/23/2014	(436) DRE	(LT)	Letter to H. Levy regarding various proposals; Create service list	0.20	150.00	4.90	3,675.00
10/27/2014	(436) DRE	(XX)	Deal with sale process; Letter to H. Levy and M. Poliak	0.30	225.00	5.20	3,900.00
10/31/2014	(436) DRE	(RW)	Review mortgage agreement; Letter to M. Poliak; Letters to H. Levy	0.60	450.00	5.80	4,350.00
11/03/2014	(436) DRE	(LT)	Letter to M. Poliak and H. Levy	0.10	75.00	5.90	4,425.00
11/04/2014	(436) DRE	(RW)	Review revised management agreement; Letter to M. Poliak re section 7.05; Review appraisal proposal; Letter and comment to H. Levy	0.50	375.00	6.40	4,800.00
11/04/2014	(436) DRE	(RW)	Review time lines; Letter to H. Levy	0.30	225.00	6.70	5,025.00
11/04/2014	(436) DRE	(LT)	Letter to H. Levy; Review management agreement; Letter to M. Poliak	0.20	150.00	6.90	5,175.00
11/05/2014	(436) DRE	(RW)	Review DAS issue; Letter to H. Levy	0.10	75.00	7.00	5,250.00
11/05/2014	(436) DRE	(XX)	Comment on assignment; Telephone call with E. Randle	0.30	225.00	7.30	5,475.00
11/12/2014	(436) DRE	(LT)	Letter to and telephone call with Receiver; Update time schedule and execution of management agreement	0.30	225.00	7.60	5,700.00
11/14/2014	(436) DRE	(RW)	Review and update with H. Levy	0.10	75.00	7.70	5,775.00
11/19/2014	(436) DRE	(TC)	Telephone call with H. Levy regarding stalking horse and process	0.40	300.00	8.10	6,075.00
11/19/2014	(436) DRE	(IS)	Instruct J. Nemers regarding stalking horse bid	0.30	225.00	8.40	6,300.00
11/19/2014	(436) DRE	(RW)	Review and update; Telephone call with H. Levy	0.10	75.00	8.50	6,375.00
11/19/2014	(1642) JTN	(RI)	Receive instruction from R. English re drafting of Stalking Horse Bid materials	0.20	56.00	8.70	6,431.00
11/21/2014	(436) DRE	(LT)	Letter to H. Levy regarding deemed trust; Instruct regarding stalking horse	0.20	150.00	8.90	6,581.00
11/21/2014	(1642) JTN	(PR)	Prepare draft Stalking Horse Bid Agreement of Purchase and Sale	1.80	504.00	10.70	7,085.00
11/21/2014	(1591) AP	(XX)	Conducted preliminary searcher on Hands-On Capital Inc. and reported same	0.10	16.00	10.80	7,101.00

Attached is Exhibit "C"

Referred to in the

AFFIDAVIT OF JEREMY NEMERS

Sworn before me

This 17th day of February, 2015

A handwritten signature in black ink, appearing to be "T. W. ...", is written over a horizontal line.

Commissioner for taking Affidavits, etc

Client: (13885) A. Farber & Partners Inc.
Matter: (121125) Pembroke Residence Ltd. (Receiver
of)

Matter Draft Report

From: 12/30/1899 To: 11/27/2014

Date	Member	Code	Time Entry Description	Entry		Cumulative	
				Hours	Value	Hours	Value
11/24/2014	(436) DRE	(LT)	Letter to creditor; Telephone call with H. Levy	0.40	300.00	11.20	7,401.00
11/24/2014	(436) DRE	(LT)	Letter to Iqbal Moledina regarding deemed trust	0.20	150.00	11.40	7,551.00
11/24/2014	(1642) JTN	(PR)	Prepare draft Stalking Horse Order and accompanying schedule re terms and conditions for R. English	1.80	504.00	13.20	8,055.00
11/25/2014	(1252) KC	(XX)	Obtain copy of parcel abstract re 117 Pembroke Street, Toronto	0.10	27.50	13.30	8,082.50
11/25/2014	(436) DRE	(LT)	Letter to H. Levy	0.20	150.00	13.50	8,232.50
11/25/2014	(436) DRE	(RW)	Review stalking horse offer; Letter to H. Levy	0.80	600.00	14.30	8,832.50

44 Transaction(s)

Receiver

Matter Draft Report

From: 12/30/1899 To: 11/27/2014

Value	Cumulative	
	Hours	Value
300.00	11.20	7,401.00
150.00	11.40	7,551.00
504.00	13.20	8,055.00
27.50	13.30	8,082.50
150.00	13.50	8,232.50
600.00	14.30	8,832.50

	Disbursement Entry Description	Entry Value	Cumulative Value
2)	Long Distance Charges Re: Invoice Conference Call June 27, 2014 Voucher No. 85469 for Invoice No. 35686585 issued by (997) Rogers Business Solutions Amex	1.00	1.00
05)	Printer Copies	2.25	3.25
05)	Printer Copies	2.00	5.25
05)	Printer Copies	2.75	8.00
05)	Printer Copies	6.00	14.00
FA)	Fax Charges Phone No:919055453274	1.00	15.00
02)	Long Distance Charges Phone No:19055453274 Duration:36	0.34	15.34

Client: (13885) A. Farber & Partners Inc.

Matter: (121125) Pembroke Residence Ltd. (Receiver
of)**Matter Draft Report**

From: 12/30/1899 To: 11/27/2014

Date	Member	Code	Time Entry Description	Entry		Cumulative	
				Hours	Value	Hours	Value
11/24/2014	(436) DRE	(LT)	Letter to creditor; Telephone call with H. Levy	0.40	300.00	11.20	7,401.00
11/24/2014	(436) DRE	(LT)	Letter to Iqbal Moledina regarding deemed trust	0.20	150.00	11.40	7,551.00
11/24/2014	(1642) JTN	(PR)	Prepare draft Stalking Horse Order and accompanying schedule re terms and conditions for R. English	1.80	504.00	13.20	8,055.00
11/25/2014	(1252) KC	(XX)	Obtain copy of parcel abstract re 117 Pembroke Street, Toronto	0.10	27.50	13.30	8,082.50
11/25/2014	(436) DRE	(LT)	Letter to H. Levy	0.20	150.00	13.50	8,232.50
11/25/2014	(436) DRE	(RW)	Review stalking horse offer; Letter to H. Levy	0.80	600.00	14.30	8,832.50

44 Transaction(s)

Client: (13885) A. Farber & Partners Inc.
Matter: (121125) Pembroke Residence Ltd. (Receiver
of)

Matter Draft Report

From: 12/30/1899 To: 11/27/2014

Date	Member	Code	Disbursement Entry Description	Entry Value	Cumulative Value
Chargeable					
07/28/2014	(436) DRE	(02)	Long Distance Charges Re: Invoice Conference Call June 27, 2014 Voucher No. 85469 for Invoice No. 35686585 issued by (997) Rogers Business Solutions Amex	1.00	1.00
11/21/2014	(910) ACCT	(105)	Printer Copies	2.25	3.25
11/24/2014	(910) ACCT	(105)	Printer Copies	2.00	5.25
11/25/2014	(910) ACCT	(105)	Printer Copies	2.75	8.00
11/25/2014	(910) ACCT	(105)	Printer Copies	6.00	14.00
11/25/2014	(910) ACCT	(FA)	Fax Charges Phone No:919055453274	1.00	15.00
11/25/2014	(910) ACCT	(02)	Long Distance Charges Phone No:19055453274 Duration:36	0.34	15.34

7 Transaction(s)

A. FARBER & PARTNERS INC.*In its capacity as Court Appointed Receiver and Manager of Pembroke Residence Ltd.**January 29, 2015 Account*

Lawyer	Call to Bar	2014/2015hr	Total Time	Value
D.R. English	1980	758.47	24.80	18,810.00
J.T. Nemers	2014	282.20	8.20	2,314.00
A.Y. Silver	2013	280.00	0.60	168.00
Student				
S. Giampaolo		230.00	0.20	46.00
File Clerk				
Patrick Williams		160.00	1.20	192.00

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

A. Farber & Partners Inc.
1600 - 150 York Street
Toronto, ON
Canada M5H 3S5

Attention: Mr. Hylton Levy

Account No.: 500149

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13885/121125

January 29, 2015

Re: Pembroke Residence Ltd. (Receiver of)

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended January 27, 2015:

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JTN	25/11/14	\$280.00	0.90	\$252.00	Prepare draft Notice of Motion; Proofread draft court materials; Email to R. English for review and comment
DRE	28/11/14	\$750.00	1.50	\$1,125.00	Revise Stalking Horse; Letters and calls with Receiver; Letter to buyer of 1st mortgage; Telephone call with M. Poliak
DRE	28/11/14	\$750.00	0.20	\$150.00	Review and revise Stalking Horse; Letter to mortgage buyer
DRE	28/11/14	\$750.00	0.30	\$225.00	Letter to Iqbal regarding dealings with owner and payout
JTN	28/11/14	\$280.00	1.00	\$280.00	Revise draft stalking horse documents to reflect offer from second mortgagee
DRE	01/12/14	\$750.00	0.10	\$75.00	Letter to H. Levy
DRE	02/12/14	\$750.00	0.20	\$150.00	Letter to and update regarding Stalking Horse
DRE	03/12/14	\$750.00	0.30	\$225.00	Letter to M. Poliak; Letter to H. Levy
DRE	03/12/14	\$750.00	0.50	\$375.00	Letter to Iqbal; Letter to H. Levy;

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Received revised offer
DRE	03/12/14	\$750.00	0.30	\$225.00	Receive revised bid and review
DRE	03/12/14	\$750.00	0.30	\$225.00	Review offer and letter regarding mortgage
DRE	04/12/14	\$750.00	0.50	\$375.00	Review stalking horse revised offer; Instruct J. Nemers; Letter to H. Levy
DRE	04/12/14	\$750.00	1.20	\$900.00	Dealing with Stalking Horse, insurance issues and court dates
JTN	04/12/14	\$280.00	0.30	\$84.00	Revise draft court materials to reflect changes to draft Stalking Horse Purchase Agreement
DRE	05/12/14	\$750.00	1.00	\$750.00	Letters with Iqbal; Letter to H. Levy; Deal with stalking horse offer; Revise draft Order; Secure court date; Deal with insurance issues
DRE	08/12/14	\$750.00	0.80	\$600.00	Dealing with stalking horse and ex-owners
DRE	08/12/14	\$750.00	0.40	\$300.00	Letter to H. Levy; Telephone call with L. Fried; Review title
DRE	08/12/14	\$750.00	1.00	\$750.00	Deal with offer and Equitable Mortgage; Letter to Chaiton; Telephone call with L. Fried
JTN	08/12/14	\$280.00	1.00	\$280.00	Revise draft agreement of purchase and sale; Review parcel registry for real property at issue and list all present encumbrances on property
AYS	08/12/14	\$280.00	0.60	\$168.00	Telephone call with J. Nemers re encumbrances to be placed on list of Permitted Encumbrances; Pull all relevant title documents from Teraview; Email J. Nemers all relevant title encumbrances to be placed on list of Permitted Encumbrances
DRE	09/12/14	\$750.00	0.50	\$375.00	Letter to H. Levy; Telephone call with L. Fried
JTN	09/12/14	\$280.00	0.10	\$28.00	Revise agreement of purchase and sale to reflect permitted encumbrance

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	10/12/14	\$750.00	0.50	\$375.00	Letter to L. Fried; Review revised offer; Letter to H. Levy; Confirm court date
DRE	10/12/14	\$750.00	0.40	\$300.00	Draft letter to M. Dewji and revise; Letter to H. Levy
DRE	11/12/14	\$750.00	0.30	\$225.00	Letter to and telephone call with M. Poliak
DRE	12/12/14	\$750.00	0.30	\$225.00	Telephone call with M. Poliak; Letter to L. Fried; Letter to Farber regarding agreement
DRE	12/12/14	\$750.00	0.20	\$150.00	Telephone call with L. Fried; Letter to H. Levy; Follow up on agreement
DRE	15/12/14	\$750.00	1.00	\$750.00	Revise report; Letter to Farber
DRE	15/12/14	\$750.00	0.50	\$375.00	Draft Notice of Motion; Review draft Order
DRE	16/12/14	\$750.00	0.30	\$225.00	Receive agreement; Letter to H. Levy, etc.
DRE	16/12/14	\$750.00	0.50	\$375.00	Letter to L. Fried; Letter to Farbers; Arrange execution; Request deposit
DRE	16/12/14	\$750.00	0.50	\$375.00	Revise draft Order and adjust time lines
DRE	17/12/14	\$750.00	0.20	\$150.00	Receive and review revised Order
DRE	17/12/14	\$750.00	0.30	\$225.00	Revise Stalking Horse Order
DRE	18/12/14	\$750.00	0.30	\$225.00	Follow-up on deposit
DRE	19/12/14	\$750.00	0.40	\$300.00	Deal with stalking horse and court dates; Letter to Farber
DRE	19/12/14	\$750.00	0.30	\$225.00	Letters with Receiver; Receiver report; Letter to L. Fried
DRE	22/12/14	\$750.00	0.20	\$150.00	Instruct Motion Record; Review Order
DRE	22/12/14	\$750.00	0.30	\$225.00	Review and deal with form of Order
JTN	22/12/14	\$280.00	0.50	\$140.00	Review and revise draft court materials for R. English
DRE	23/12/14	\$750.00	0.60	\$450.00	Deal with form of Order and revision to service list

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	23/12/14	\$750.00	0.20	\$150.00	Deal further on motion regarding stalking horse
SG	23/12/14	\$230.00	0.20	\$46.00	Attend Commercial list and file motion record
JTN	23/12/14	\$280.00	0.80	\$224.00	Prepare, review and finalize motion record in conjunction with P. Hoosain and arrange for service and filing of same
DRE	05/01/15	\$775.00	1.50	\$1,162.50	Prepare for motion; Deal with counsel
PW	05/01/15	\$160.00	0.60	\$96.00	Filed Affidavit of Service for January 8, 2015 motion
DRE	06/01/15	\$775.00	0.20	\$155.00	Deal with motion
DRE	07/01/15	\$775.00	0.20	\$155.00	Prepare for motion
JTN	07/01/15	\$285.00	3.60	\$1,026.00	Review mortgage documents and multiple spreadsheets to verify calculations performed by first mortgagee re amount owing on draft payout statement; Email analysis to R. English with list and description of calculation errors
DRE	08/01/15	\$775.00	0.30	\$232.50	Review mortgage payout detail; Letter to H. Levy
DRE	08/01/15	\$775.00	2.50	\$1,937.50	Prepare and attend before Conway J.; Instruct regarding entering Order
DRE	08/01/15	\$775.00	0.30	\$232.50	Letter to debtor; Instruct and letter to H. Levy
DRE	08/01/15	\$775.00	0.30	\$232.50	Letter to H. Levy; Letter to debtor
DRE	09/01/15	\$775.00	0.50	\$387.50	Letter to M. Dewji; Letter to City of Toronto; Review file
DRE	09/01/15	\$775.00	0.20	\$155.00	Serve Order; Instruct and review sale process
PW	09/01/15	\$160.00	0.60	\$96.00	Entered Order of January 8, 2015
DRE	12/01/15	\$775.00	0.80	\$620.00	Review and revise draft agreement of purchase and sale
DRE	13/01/15	\$775.00	0.80	\$620.00	Revise Agreement of Purchase and

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	23/12/14	\$750.00	0.20	\$150.00	Deal further on motion regarding stalking horse
SG	23/12/14	\$230.00	0.20	\$46.00	Attend Commercial list and file motion record
JTN	23/12/14	\$280.00	0.80	\$224.00	Prepare, review and finalize motion record in conjunction with P. Hoosain and arrange for service and filing of same
DRE	05/01/15	\$775.00	1.50	\$1,162.50	Prepare for motion; Deal with counsel
PW	05/01/15	\$160.00	0.60	\$96.00	Filed Affidavit of Service for January 8, 2015 motion
DRE	06/01/15	\$775.00	0.20	\$155.00	Deal with motion
DRE	07/01/15	\$775.00	0.20	\$155.00	Prepare for motion
JTN	07/01/15	\$285.00	3.60	\$1,026.00	Review mortgage documents and multiple spreadsheets to verify calculations performed by first mortgagee re amount owing on draft payout statement; Email analysis to R. English with list and description of calculation errors
DRE	08/01/15	\$775.00	0.30	\$232.50	Review mortgage payout detail; Letter to H. Levy
DRE	08/01/15	\$775.00	2.50	\$1,937.50	Prepare and attend before Conway J.; Instruct regarding entering Order
DRE	08/01/15	\$775.00	0.30	\$232.50	Letter to debtor; Instruct and letter to H. Levy
DRE	08/01/15	\$775.00	0.30	\$232.50	Letter to H. Levy; Letter to debtor
DRE	09/01/15	\$775.00	0.50	\$387.50	Letter to M. Dewji; Letter to City of Toronto; Review file
DRE	09/01/15	\$775.00	0.20	\$155.00	Serve Order; Instruct and review sale process
PW	09/01/15	\$160.00	0.60	\$96.00	Entered Order of January 8, 2015
DRE	12/01/15	\$775.00	0.80	\$620.00	Review and revise draft agreement of purchase and sale
DRE	13/01/15	\$775.00	0.80	\$620.00	Revise Agreement of Purchase and

Client: (13885) A. Farber & Partners Inc.
 Matter: (121125) Pembroke Residence Ltd. (Receiver
 of)

Matter Draft Report Matter Summary

Matter Information

Member Responsible

Client: (68) Harry Fogul
 Matter: (436) D. English
 Reference No.:
 Area of practice: (BY) Bankruptcy

Fee Quote: 0.00
 Disb. Quote: 0.00

Matter Balances

WIP Balance: 22,821.41
 AR Balance: 28,849.13
 Trust: 0.00

Write-Offs and Credit Notes

WIP WO: 0.00
 AR WO:
 Credit Notes: 0.00

Matter Budget:

Hours	0.00
Fee	0.00
Disbursements	0.00
AR Outstanding Limit	0.00
WIP Limit	0.00

Billing Information

Format: FullDetailsIncludesRate.doc S

Contact: Hylton Levy
 1600 - 150 York Street
 Toronto, ON Canada M5H 3S5

Phone: (416) 496.3070
 Email: hlevy@farberfinancial.com

Invoice Instructions:

Proposed Bill Value

Tax Name	Hours **	Value of Hours **	Fees ***	Disbursements***	Tax*	Total	Unapplied Interim Invoices
None	0.00	0.00	0.00	127.00	0.00	127.00	N/A
HST 13%	35.00	21,530.00	21,530.00	1,164.41	2,950.27	25,644.68	N/A
Total	35.00	21,530.00	21,530.00	1,291.41	2,950.27	25,771.68	

* The tax rate used on billed entries and those selected for billing is the rate based on invoice date, otherwise it is the current date.

** Includes chargeable and non-chargeable.

*** Excludes non-chargeable.

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Sale; Letter to Farber regarding Agreement of Purchase and Sale
DRE	20/01/15	\$775.00	0.20	\$155.00	Review and update
DRE	21/01/15	\$775.00	0.20	\$155.00	Review and update on sale process
DRE	23/01/15	\$775.00	0.20	\$155.00	Review and update with N. Litvak
DRE	27/01/15	\$775.00	0.20	\$155.00	Review file; Telephone call with H. Levy
TOTAL:			35.00	\$21,530.00	

OUR FEE \$21,530.00
HST at 13% \$2,798.90

**DISBURSEMENTS
COST INCURRED ON YOUR BEHALF AS AN AGENT**

Notice of Motion/Application \$127.00

Subject to HST

Photocopies - Local \$96.75
Teraview Search \$33.00
Deliveries/Parss \$320.35
Imaging/Scanning \$146.50
Photocopies \$504.25
Binding and Tabs \$50.00
Fax Charges \$10.50
Long Distance Charges \$3.06

Total Disbursements \$1,164.41
HST at 13% \$151.37

AMOUNT NOW DUE

\$25,771.68

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

D. Robb English
/ph
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

Client: (13885) A. Farber & Partners Inc.
Matter: (121125) Pembroke Residence Ltd. (Receiver
of)

**Matter Draft Report
Allocation**

Member	Last time sheet	Unposted Hours*	Posted Hours	Working Rate	Credit Work	Proposed Manual Override
(107) Williams, P.	01/09/2015	0.00	1.20	160.00	192.00	
(436) English, D.R	01/27/2015	0.00	24.80	758.47	18,810.00	
(1585) Silver, A.Y	12/08/2014	0.00	0.60	280.00	168.00	
(1633) Giampaolo, S.	12/23/2014	0.00	0.20	230.00	46.00	
(1642) Nemers, J.T	01/07/2015	0.00	8.20	282.20	2,314.00	
Total :		0.00	35.00	342.13	21,530.00	

* This includes all un-posted time and future dated entries (if any).

Client: (13885) A. Farber & Partners Inc.
 Matter: (121125) Pembroke Residence Ltd. (Receiver
 of)

Matter Draft Report

From: 12/30/1899 To: 01/29/2015

Date	Member	Code	Time Entry Description	Entry		Cumulative	
				Hours	Value	Hours	Value
Chargeable							
11/25/2014	(1642) JTN	(PR)	Prepare draft Notice of Motion; Proofread draft court materials; Email to R. English for review and comment	0.90	252.00	0.90	252.00
11/28/2014	(436) DRE	(RW)	Review and revise Stalking Horse; Letter to mortgage buyer	0.20	150.00	1.10	402.00
11/28/2014	(436) DRE	(LT)	Letter to Iqbal regarding dealings with owner and payout	0.30	225.00	1.40	627.00
11/28/2014	(436) DRE	(RV)	Revise Stalking Horse; Letters and calls with Receiver; Letter to buyer of 1st mortgage; Telephone call with M. Poliak	1.50	1,125.00	2.90	1,752.00
11/28/2014	(1642) JTN	(RV)	Revise draft stalking horse documents to reflect offer from second mortgagee	1.00	280.00	3.90	2,032.00
12/01/2014	(436) DRE	(LT)	Letter to H. Levy	0.10	75.00	4.00	2,107.00
12/02/2014	(436) DRE	(LT)	Letter to and update regarding Stalking Horse	0.20	150.00	4.20	2,257.00
12/03/2014	(436) DRE	(LT)	Letter to Iqbal; Letter to H. Levy; Received revised offer	0.50	375.00	4.70	2,632.00
12/03/2014	(436) DRE	(RE)	Receive revised bid and review	0.30	225.00	5.00	2,857.00
12/03/2014	(436) DRE	(LT)	Letter to M. Poliak; Letter to H. Levy	0.30	225.00	5.30	3,082.00
12/03/2014	(436) DRE	(RW)	Review offer and letter regarding mortgage	0.30	225.00	5.60	3,307.00
12/04/2014	(436) DRE	(NC)	Dealing with Stalking Horse, insurance issues and court dates	1.20	900.00	6.80	4,207.00
12/04/2014	(436) DRE	(RW)	Review stalking horse revised offer; Instruct J. Nemers; Letter to H. Levy	0.50	375.00	7.30	4,582.00
12/04/2014	(1642) JTN	(RV)	Revise draft court materials to reflect changes to draft Stalking Horse Purchase Agreement	0.30	84.00	7.60	4,666.00
12/05/2014	(436) DRE	(NC)	Letters with Iqbal; Letter to H. Levy; Deal with stalking horse offer; Revise draft Order; Secure court date; Deal with insurance issues	1.00	750.00	8.60	5,416.00
12/08/2014	(436) DRE	(NC)	Dealing with stalking horse and ex-owners	0.80	600.00	9.40	6,016.00
12/08/2014	(436) DRE	(LT)	Letter to H. Levy; Telephone call with L. Fried; Review title	0.40	300.00	9.80	6,316.00
12/08/2014	(436) DRE	(NC)	Deal with offer and Equitable Mortgage; Letter to Chaiton; Telephone call with L. Fried	1.00	750.00	10.80	7,066.00
12/08/2014	(1642) JTN	(RV)	Revise draft agreement of purchase and sale; Review parcel registry for real property at issue and list all present encumbrances on property	1.00	280.00	11.80	7,346.00
12/08/2014	(1585) AYS	(NC)	Telephone call with J. Nemers re encumbrances to be placed on list of Permitted Encumbrances; Pull all relevant title documents from Teraview; Email J. Nemers all relevant title encumbrances to be placed on list of Permitted Encumbrances	0.60	168.00	12.40	7,514.00
12/09/2014	(436) DRE	(LT)	Letter to H. Levy; Telephone call with L. Fried	0.50	375.00	12.90	7,889.00
12/09/2014	(1642) JTN	(RV)	Revise agreement of purchase and sale to reflect permitted encumbrance	0.10	28.00	13.00	7,917.00
12/10/2014	(436) DRE	(LT)	Letter to L. Fried; Review revised offer; Letter to H. Levy; Confirm court date	0.50	375.00	13.50	8,292.00
12/10/2014	(436) DRE	(DR)	Draft letter to M. Dewji and revise; Letter to H. Levy	0.40	300.00	13.90	8,592.00
12/11/2014	(436) DRE	(LT)	Letter to and telephone call with M. Poliak	0.30	225.00	14.20	8,817.00
12/12/2014	(436) DRE	(TC)	Telephone call with L. Fried; Letter to H. Levy; Follow up on agreement	0.20	150.00	14.40	8,967.00
12/12/2014	(436) DRE	(TC)	Telephone call with M. Poliak; Letter to L. Fried; Letter to Farber regarding agreement	0.30	225.00	14.70	9,192.00
12/15/2014	(436) DRE	(DR)	Draft Notice of Motion; Review draft Order	0.50	375.00	15.20	9,567.00
12/15/2014	(436) DRE	(RV)	Revise report; Letter to Farber	1.00	750.00	16.20	10,317.00
12/16/2014	(436) DRE	(RV)	Revise draft Order and adjust time lines	0.50	375.00	16.70	10,692.00
12/16/2014	(436) DRE	(RE)	Receive agreement; Letter to H. Levy, etc.	0.30	225.00	17.00	10,917.00

Client: (13885) A. Farber & Partners Inc.
 Matter: (121125) Pembroke Residence Ltd. (Receiver
 of)

Matter Draft Report

From: 12/30/1899 To: 01/29/2015

Date	Member	Code	Time Entry Description	Entry		Cumulative	
				Hours	Value	Hours	Value
12/16/2014	(436) DRE	(LT)	Letter to L. Fried; Letter to Farbers; Arrange execution; Request deposit	0.50	375.00	17.50	11,292.00
12/17/2014	(436) DRE	(RV)	Revise Stalking Horse Order	0.30	225.00	17.80	11,517.00
12/17/2014	(436) DRE	(RE)	Receive and review revised Order	0.20	150.00	18.00	11,667.00
12/18/2014	(436) DRE	(FU)	Follow-up on deposit	0.30	225.00	18.30	11,892.00
12/19/2014	(436) DRE	(NC)	Deal with stalking horse and court dates; Letter to Farber	0.40	300.00	18.70	12,192.00
12/19/2014	(436) DRE	(LT)	Letters with Receiver; Receiver report; Letter to L. Fried	0.30	225.00	19.00	12,417.00
12/22/2014	(436) DRE	(RW)	Review and deal with form of Order	0.30	225.00	19.30	12,642.00
12/22/2014	(436) DRE	(IS)	Instruct Motion Record; Review Order	0.20	150.00	19.50	12,792.00
12/22/2014	(1642) JTN	(RW)	Review and revise draft court materials for R. English	0.50	140.00	20.00	12,932.00
12/23/2014	(436) DRE	(NC)	Deal further on motion regarding stalking horse	0.20	150.00	20.20	13,082.00
12/23/2014	(436) DRE	(NC)	Deal with form of Order and revision to service list	0.60	450.00	20.80	13,532.00
12/23/2014	(1633) SG	(AT)	Attend Commercial list and file motion record	0.20	46.00	21.00	13,578.00
12/23/2014	(1642) JTN	(PR)	Prepare, review and finalize motion record in conjunction with P. Hoosain and arrange for service and filing of same	0.80	224.00	21.80	13,802.00
01/05/2015	(436) DRE	(PR)	Prepare for motion; Deal with counsel	1.50	1,162.50	23.30	14,964.50
01/05/2015	(107) PW	(XX)	Filed Affidavit of Service for January 8, 2015 motion	0.60	96.00	23.90	15,060.50
01/06/2015	(436) DRE	(NC)	Deal with motion	0.20	155.00	24.10	15,215.50
01/07/2015	(436) DRE	(PR)	Prepare for motion	0.20	155.00	24.30	15,370.50
01/07/2015	(1642) JTN	(RW)	Review mortgage documents and multiple spreadsheets to verify calculations performed by first mortgagee re amount owing on draft payout statement; Email analysis to R. English with list and description of calculation errors	3.60	1,026.00	27.90	16,396.50
01/08/2015	(436) DRE	(PR)	Prepare and attend before Conway J.; Instruct regarding entering Order	2.50	1,937.50	30.40	18,334.00
01/08/2015	(436) DRE	(LT)	Letter to debtor; Instruct and letter to H. Levy	0.30	232.50	30.70	18,566.50
01/08/2015	(436) DRE	(LT)	Letter to H. Levy; Letter to debtor	0.30	232.50	31.00	18,799.00
01/08/2015	(436) DRE	(RW)	Review mortgage payout detail; Letter to H. Levy	0.30	232.50	31.30	19,031.50
01/09/2015	(436) DRE	(NC)	Serve Order; Instruct and review sale process	0.20	155.00	31.50	19,186.50
01/09/2015	(436) DRE	(LT)	Letter to M. Dewji; Letter to City of Toronto; Review file	0.50	387.50	32.00	19,574.00
01/09/2015	(107) PW	(XX)	Entered Order of January 8, 2015	0.60	96.00	32.60	19,670.00
01/12/2015	(436) DRE	(RW)	Review and revise draft agreement of purchase and sale	0.80	620.00	33.40	20,290.00
01/13/2015	(436) DRE	(RV)	Revise Agreement of Purchase and Sale; Letter to Farber regarding Agreement of Purchase and Sale	0.80	620.00	34.20	20,910.00
01/20/2015	(436) DRE	(RW)	Review and update	0.20	155.00	34.40	21,065.00
01/21/2015	(436) DRE	(RW)	Review and update on sale process	0.20	155.00	34.60	21,220.00
01/23/2015	(436) DRE	(RW)	Review and update with N. Litvak	0.20	155.00	34.80	21,375.00
01/27/2015	(436) DRE	(RW)	Review file; Telephone call with H. Levy	0.20	155.00	35.00	21,530.00

62 Transaction(s)

Client: (13885) A. Farber & Partners Inc.

Matter: (121125) Pembroke Residence Ltd. (Receiver of)

Matter Draft Report

From: 12/30/1899 To: 01/29/2015

Date	Member	Code	Disbursement Entry Description	Entry Value	Cumulative Value
Chargeable					
11/28/2014	(910) ACCT	(105)	Printer Copies	1.25	1.25
11/28/2014	(910) ACCT	(105)	Printer Copies	6.25	7.50
11/28/2014	(910) ACCT	(105)	Printer Copies	1.25	8.75
12/04/2014	(910) ACCT	(105)	Printer Copies	5.75	14.50
12/12/2014	(1585) AYS	(TV)	Teraview Search	33.00	47.50
12/16/2014	(436) DRE	(DE)	Deliveries/Parss 150 york st ,suite	12.00	59.50
12/18/2014	(910) ACCT	(105)	Printer Copies	3.75	63.25
12/19/2014	(436) DRE	(DE)	Deliveries/Parss 1600 - 150 York St	12.00	75.25
12/19/2014	(436) DRE	(DE)	Deliveries/Parss 330 university ave	12.00	87.25
12/22/2014	(910) ACCT	(105)	Printer Copies	31.00	118.25
12/22/2014	(910) ACCT	(105)	Printer Copies	4.25	122.50
12/22/2014	(910) ACCT	(105)	Printer Copies	3.75	126.25
12/22/2014	(910) ACCT	(105)	Printer Copies	11.00	137.25
12/22/2014	(910) ACCT	(105)	Printer Copies	5.00	142.25
12/22/2014	(910) ACCT	(105)	Printer Copies	3.25	145.50
12/22/2014	(910) ACCT	(122)	Imaging/Scanning	0.75	146.25
12/22/2014	(910) ACCT	(122)	Imaging/Scanning	86.50	232.75
12/22/2014	(436) DRE	(AC)	Notice of Motion/Application Re: F# 121125/File Motion Record Cheque No. 43719 issued to (MIN0001) Minister of Finance	127.00	359.75
12/23/2014	(910) ACCT	(01)	Photocopies	62.00	421.75
12/23/2014	(910) ACCT	(01)	Photocopies	6.25	428.00
12/23/2014	(910) ACCT	(105)	Printer Copies	3.75	431.75
12/23/2014	(910) ACCT	(105)	Printer Copies	4.00	435.75
12/23/2014	(910) ACCT	(105)	Printer Copies	3.50	439.25
12/23/2014	(910) ACCT	(122)	Imaging/Scanning	59.25	498.50
12/23/2014	(910) ACCT	(BC)	Binding and Tabs	3.00	501.50
12/23/2014	(910) ACCT	(BC)	Binding and Tabs	21.00	522.50
12/23/2014	(910) ACCT	(BC)	Binding and Tabs	16.00	538.50
12/23/2014	(910) ACCT	(BC)	Binding and Tabs	4.00	542.50
12/23/2014	(910) ACCT	(BC)	Binding and Tabs	6.00	548.50
12/23/2014	(436) DRE	(01)	Photocopies	414.75	963.25
12/23/2014	(436) DRE	(DE)	Deliveries/Parss 5100 Yonge St. low	32.00	995.25
12/23/2014	(436) DRE	(DE)	Deliveries/Parss 5061 ure street	19.25	1,014.50
12/23/2014	(436) DRE	(DE)	Deliveries/Parss 1 Front St W	8.00	1,022.50
12/23/2014	(436) DRE	(DE)	Deliveries/Parss 33 King St W	70.40	1,092.90
12/23/2014	(436) DRE	(DE)	Deliveries/Parss 304-700 dorval dri	72.20	1,165.10
12/30/2014	(910) ACCT	(FA)	Fax Charges Phone No:919055453274	1.00	1,166.10
12/30/2014	(910) ACCT	(02)	Long Distance Charges Phone No:19055453263 Duration:6	0.34	1,166.44
12/30/2014	(910) ACCT	(02)	Long Distance Charges Phone No:19055453274 Duration:36	0.34	1,166.78
12/30/2014	(436) DRE	(DE)	Deliveries/Parss 523 upper wellingt	82.50	1,249.28
01/06/2015	(910) ACCT	(FA)	Fax Charges Phone No:919055453274	1.00	1,250.28
01/06/2015	(910) ACCT	(02)	Long Distance Charges Phone No:19055453274 Duration:36	0.34	1,250.62

Client: (13885) A. Farber & Partners Inc.
Matter: (121125) Pembroke Residence Ltd. (Receiver
of)

Matter Draft Report

From: 12/30/1899 To: 01/29/2015

Date	Member	Code	Disbursement Entry Description	Entry Value	Cumulative Value
01/07/2015	(910) ACCT	(01)	Photocopies	10.50	1,261.12
01/07/2015	(910) ACCT	(105)	Printer Copies	3.50	1,264.62
01/07/2015	(910) ACCT	(105)	Printer Copies	2.00	1,266.62
01/07/2015	(910) ACCT	(105)	Printer Copies	2.00	1,268.62
01/07/2015	(910) ACCT	(105)	Printer Copies	1.50	1,270.12
01/08/2015	(910) ACCT	(01)	Photocopies	10.75	1,280.87
01/09/2015	(910) ACCT	(FA)	Fax Charges Phone No:919055453274	8.50	1,289.37
01/09/2015	(910) ACCT	(02)	Long Distance Charges Phone No:19055453274 Duration:306	2.04	1,291.41

49 Transaction(s)

Attached is Exhibit "D"

Referred to in the

AFFIDAVIT OF JEREMY NEMERS

Sworn before me

This 17th day of February, 2015

A handwritten signature in black ink, appearing to be "J. Nemers", is written over a horizontal line.

Commissioner for taking Affidavits, etc

Client: (13885) A. Farber & Partners Inc.
Matter: (121125) Pembroke Residence Ltd. (Receiver
of)

Matter Draft Report

From: 12/30/1899 To: 01/29/2015

Date	Member	Code	Disbursement Entry Description	Entry Value	Cumulative Value
01/07/2015	(910) ACCT	(01)	Photocopies	10.50	1,261.12
01/07/2015	(910) ACCT	(105)	Printer Copies	3.50	1,264.62
01/07/2015	(910) ACCT	(105)	Printer Copies	2.00	1,266.62
01/07/2015	(910) ACCT	(105)	Printer Copies	2.00	1,268.62
01/07/2015	(910) ACCT	(105)	Printer Copies	1.50	1,270.12
01/08/2015	(910) ACCT	(01)	Photocopies	10.75	1,280.87
01/09/2015	(910) ACCT	(FA)	Fax Charges Phone No:919055453274	8.50	1,289.37
01/09/2015	(910) ACCT	(02)	Long Distance Charges Phone No:19055453274 Duration:306	2.04	1,291.41

49 Transaction(s)

A. FARBER & PARTNERS INC.

In its capacity as Court Appointed Receiver and Manager of Pembroke Residence Ltd.

February 17, 2015 Account

Lawyer	Call to Bar	2015/hr	Total Time	Value
D.R. English	1980	775.00	0.70	542.50

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

A. Farber & Partners Inc.
1600 - 150 York Street
Toronto, ON
Canada M5H 3S5

Attention: Mr. Hylton Levy

Account No.: 501388

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 13885/121125

February 17, 2015

Re: Pembroke Residence Ltd. (Receiver of)

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended January 30, 2015:

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DRE	29/01/15	\$775.00	0.20	\$155.00	Telephone call with H. Levy
DRE	29/01/15	\$775.00	0.20	\$155.00	Purchaser inquiry
DRE	30/01/15	\$775.00	0.30	\$232.50	Telephone call with L. Fried; Letter to G. Grigoric
TOTAL:			0.70	\$542.50	

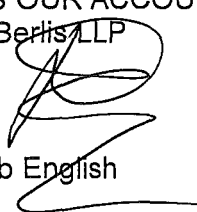
OUR FEE
HST at 13%

\$542.50
\$70.53

AMOUNT NOW DUE

\$613.03

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP


D. Robb English
/ph
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.
21783782.1

Requested by: (697) Paula Hoosain

Printed: 02/17/2015 11:35:44AM

Matter Draft Date: 02/17/2015

Client: (13885) A. Farber & Partners Inc.
Matter: (121125) Pembroke Residence Ltd. (Receiver
of)

Matter Draft Report Matter Summary

Matter Information

Member Responsible

Client: (68) Harry Fogul
Matter: (436) D. English
Reference No.:
Area of practice: (BY) Bankruptcy

Fee Quote: 0.00
Disb. Quote: 0.00

Matter Balances

WIP Balance: 5,252.22
AR Balance: 54,620.81
Trust: 0.00

Write-Offs and Credit Notes

WIP WO: 0.00
AR WO:
Credit Notes: 0.00

Matter Budget:

Hours 0.00
Fee 0.00
Disbursements 0.00
AR Outstanding Limit 0.00
WIP Limit 0.00

Billing Information

Format: FullDetailsIncludesRate.doc S

Contact: Hylton Levy
1600 - 150 York Street
Toronto, ON Canada M5H 3S5

Phone: (416) 496.3070
Email: hlevy@farberfinancial.com

Invoice Instructions:

Proposed Bill Value

Tax Name	Hours **	Value of Hours **	Fees ***	Disbursements***	Tax*	Total	Unapplied Interim Invoices
HST 13%	0.70	542.50	542.50	0.00	70.53	613.03	N/A
Total	0.70	542.50	542.50	0.00	70.53	613.03	

* The tax rate used on billed entries and those selected for billing is the rate based on invoice date, otherwise it is the current date.

** Includes chargeable and non-chargeable.

*** Excludes non-chargeable.

Requested by: (697) Paula Hoosain

Printed: 02/17/2015 11:35:42AM
Matter Draft Date: 02/17/2015

Client: (13885) A. Farber & Partners Inc.
Matter: (121125) Pembroke Residence Ltd. (Receiver
of)

Matter Draft Report

From: 12/30/1899 To: 01/31/2015

Date	Member	Code	Time Entry Description	Entry		Cumulative	
				Hours	Value	Hours	Value
Chargeable							
01/29/2015	(436) DRE	(TC)	Telephone call with H. Levy	0.20	155.00	0.20	155.00
01/29/2015	(436) DRE	(NC)	Purchaser inquiry	0.20	155.00	0.40	310.00
01/30/2015	(436) DRE	(TC)	Telephone call with L. Fried; Letter to G. Grigoric	0.30	232.50	0.70	542.50

3 Transaction(s)

HANDS-ON CAPITAL INVESTMENTS INC.

- and -

PEMBROKE RESIDENCE LTD.

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

AFFIDAVIT OF FEES

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place

181 Bay Street, Suite 1800

P.O. Box 754

Toronto, ON M5J 2T9

D. Robb English (LSUC # 19862F)

Tel: (416) 865-4748

Fax: (416) 863-1515

Email: renglish@airdberlis.com

Jeremy Nemers (LSUC # 66410Q)

Tel: (416) 865-7724

Fax: (416) 863-1515

Email: jnemers@airdberlis.com

Lawyers for A. Farber & Partners Inc., in its capacity as the Court-appointed receiver and manager of Pembroke Residences Ltd.

Tab J

AIRD & BERLIS LLP

Barristers and Solicitors

D. Robb English
Direct: 416-865-4748
Email: renglish@airdberlis.com

February 13, 2015

VIA EMAIL

A. Farber & Partners Inc.
Farber Financial Group
Financial Advisory Services
150 York Street, Suite 1600
Toronto, Ontario, M5H 3S5

Attention: Hylton Levy, CPA,CA,CIRP

Dear Sirs/Mesdames:

Re: Receivership of Pembroke Residences Inc.

A. Farber & Partners Inc., in its capacity as the court-appointed receiver (in such capacity, the **"Receiver"**) of all of the assets, undertakings and properties of Pembroke Residences Inc. (the **"Debtor"**), has requested our opinion concerning the perfection of the security documents herein discussed granted to Hands-On Capital Investments Inc. (the **"Secured Creditor"**) by the Debtor. We confirm that we have received and reviewed the security documents granted by the Debtor in favour of the Secured Creditor described herein, and hereby provide you with our opinion concerning the perfection of same.

A. DOCUMENTS EXAMINED AND SEARCHES CONDUCTED

In connection with the opinions contained in this letter, we have examined a copy of:

1. the Charge/Mortgage granted by the Debtor to the Secured Creditor, in the amount of \$3,570,000, registered on title to the property known municipally as 117 Pembroke Street, Toronto, Ontario and legally described in PIN 21100-0139 (LT) (the **"Premises"**) on December 7, 2012 as Instrument Number AT3193489 (the **"Mortgage"**);
2. the Notice amending the amount of the Charge from \$3,570,000 to \$3,100,000, registered on title to the Premises on March 27, 2013 as Instrument Number AT3264648 (the **"Notice"**, together with the Mortgage, collectively the **"Charge"**); and
3. the Postponement of Interest granted by 1280584 Ontario Inc. to the Secured Creditor, registered on title to the Premises on March 28, 2013 as Instrument Number AT3266117 (the **"Postponement"**),

(collectively, the **"Security"**).

In addition, in connection with the opinions contained in this letter, we have conducted a review of the parcel pages for PIN 21100-0139 (LT) at the Land Registry Office for the Land Title

Division of Toronto (No. 66). We have conducted no further searches in connection with the delivery of this opinion.

B. OPINIONS

We have reviewed the Charge in the amount of \$3,100,000 granted by the Debtor to the Secured Creditor. The Charge secures all liabilities and obligations of the Debtor to the Secured Creditor and is subject to Standard Charge Terms 200033. Mehboob Dewji and Munira Dewji have also executed the Charge as guarantors. We see no irregularity in the Charge and would expect that it is enforceable in accordance with its terms.

As is normally the case for mortgaged security, we have not performed a full title search going back forty (40) years. We have, however, reviewed the registered documents and the sub-search. The Debtor remains the registered owner of the property. 1280584 Ontario Inc. registered a Charge/Mortgage against the Premises on January 25, 2011, however, pursuant to the terms of the Postponement registered on title to the Premises, it has postponed its interest in the Premises to the Secured Creditor.

We confirm that the Debtor appears to hold good and valid title to the Premises and that the Secured Creditor holds a good and valid first charge in and to the Premises, subject to any prior registrations.

According to our review and reconciliation of the payout statement from the Secured Creditor the current amount outstanding, based on the terms of the Charge, is \$4,391,077.23, exclusive of certain professional fees, as at February 28, 2015 (as interest, fees and other amounts continues to run). A copy of the reconciled payout statement is attached hereto as **Schedule "A"**.

Based on, limited by and subject to the assumptions and qualifications contained below, we are of the opinion that the Charge has been registered as Instrument No. AT3193489 as amended by AT3264648 against title to the Premises and constitutes a valid and enforceable Charge/Mortgage in favour of the Secured Creditor.

C. OTHER REGISTRATIONS ON TITLE

We note that there are additional registrations on title to the Premises, including, without limitation:

- (a) a \$600,000 Charge/Mortgage registered on March 27, 2013 as Instrument No. AT3264628, together with a Notice of Assignment Rent – General as Instrument No. AT3264647, each in favour of Kevin Sit Investments Inc. (the "**KSI Charge**");
- (b) a Postponement given by 1280584 Ontario Inc. registered on March 28, 2013 as Instrument No. AT3266118 in connection with the KSI Charge;
- (c) a \$170,000 Charge/Mortgage registered on June 6, 2013 as Instrument No. AT3381304 granted by the Debtor to the Secured Creditor;

- (d) a Notice of Security Interest registered on July 31, 2014 as Instrument No. AT3650276 in the amount of \$42,048 in favour of Indcom Leasing Inc.; and
- (e) a Notice of Equitable Mortgage registered on October 22, 2014 as Instrument No. AT3719108 in favour of Bahia Mar Capital Ventures Inc.

We have not reviewed these instruments and express no opinion with respect to these registrations.

D. ASSUMPTIONS

In connection with the opinions contained in this letter, we have assumed the following:

1. The entering into, execution and delivery of the Security to the Secured Creditor has been duly authorized by all necessary resolutions and other corporate actions on the part of the Debtor.
2. The Security has been executed and delivered to the Secured Creditor by a director and/or officer of the Debtor duly authorized to execute and deliver those documents, and the signatures on the copies of the Security examined by us is that of the duly authorized director and/or officer of the Debtor.
3. The Security constitutes valid and enforceable obligations of the Debtor to the Secured Creditor as security for the Debtor's obligations to the Secured Creditor, subject to the requirements of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), the *Mortgages Act* (Ontario) and the *Planning Act* (Ontario).
4. The Security has been unconditionally delivered by the Debtor to the Secured Creditor.
5. The Security has not been assigned, released, discharged or otherwise impaired, either in whole or in part.
6. The Debtor is indebted to the Secured Creditor and received adequate consideration for the grant of the Security.
7. The genuineness of the signatures and the conformity to authentic original documents of the documents submitted to us as photocopies, electronic copies or fax copies, and that all documents were fully completed prior to signature.
8. "Pembroke Residence Ltd." was the proper legal name of the Debtor at the time of execution and delivery of the Security, and that this name has not subsequently been changed.
9. The Debtor was a valid and subsisting corporation at the time of execution and delivery of the Security.

10. The Debtor and the Secured Creditor intended the security interests created by the Security to attach, value has been given and the Debtor obtained rights in the collateral secured by the Security.
11. All facts set forth in official public records and other documents supplied by public officials or otherwise conveyed to us by public officials are complete, true and accurate.

E. QUALIFICATIONS

The opinions that we have expressed in this letter are further subject to the following qualifications:

1. We express no opinion as to the right, title or interest of the Debtor in or to the Premises or any of the assets, undertakings and properties of the Debtor.
2. We express no opinion as to whether a security interest was created in the following property:
 - (a) property consisting of a receivable, license, approval, privilege, franchise, permit, lease or agreement to the extent that the terms of such property or any applicable law prohibit its assignment or require, as a condition of its assignability, a consent, approval or other authorization or registration which has not been made or given;
 - (b) permits, quotas or licenses which are held by or issued to the Debtor;
 - (c) federal crown debts; and
 - (d) any real property or interest therein.
3. We express no opinion as to the ranking or priority of any of the Security in relation to the security interests, liens (including construction liens and any holdbacks required to be maintained pursuant to the *Construction Lien Act* (Ontario)) or trust claims of any other party, if any.
4. The validity, binding effect and enforceability of the Security may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium, or other similar laws affecting the enforceability of creditors' rights generally.
5. The rights and remedies of the Secured Creditor contained in the Security may be subject to and affected by general principles of equity.
6. No opinion is expressed as to the enforceability of any provision in the Security which suggests that modifications, amendments or waivers of or with respect to any of the Security that are not in writing will not be effective.

7. No opinion is given regarding any provision in the Security which purports to relieve a person from a liability or duty otherwise owed or to require compliance regardless of law.
8. We express no opinion as to the effect of those provisions of the Security which purport to allow the severance of invalid, illegal or unenforceable provisions or restricting their effect.
9. Enforcement of the Security may be affected or limited by any collateral agreements or arrangements relating thereto entered into between the parties thereto, of which we are not aware.
10. Enforcement of the rights to indemnity, contribution and waiver of contribution may be limited or voided by applicable law and may not be ordered by a court on grounds of public policy.
11. The enforceability of the Security is subject to the *Limitations Act, 2002* (Ontario), and we express no opinion as to whether a court may find that any provision of the Security will be unenforceable as an attempt to vary or exclude a limitation period under that statute.
12. We express no opinion as to the enforceability of any provision of the Security which may be characterized by a court as an unenforceable penalty and not as a genuine pre-estimate of damages.
13. We express no opinion as to the enforceability of any provision of the Security:
 - (a) which purports to waive all defences which might be available to, or constitute a discharge of the liability of the Debtor or any party thereto;
 - (b) to the extent it purports to exculpate, or provide indemnity to, the Secured Creditor, its agents or any receiver, manager or receiver – manager appointed by it from liability in respect of acts or omissions which may be illegal, fraudulent or involve wilful misconduct; or
 - (c) which states that amendments or waivers of or with respect to the Security that are not in writing will not be effective.
14. We express no opinion as to any provision of the Security which states that any failure to exercise, or any delay in exercising, any right or remedy shall not operate as a waiver thereof.
15. We have not explored and express no opinion as to whether the Security may be successfully attacked as a preference under section 95 of the BIA or any similar provincial legislation.
16. A waiver of a provision of applicable law may not be effective.

17. Any provision which is considered to offend public policy or to contravene laws of public order may not be enforceable.
18. To the extent that the Security purports to extend the benefit thereof to persons who are not parties to the Security, those persons may be unable to enforce that benefit.
19. No opinion is given as to security interests which are not registered on title to the Premises.
20. The enforceability of the Charge may be subject to the terms of any instruments or encumbrances registered on title to the Premises in priority to the Charge or any instruments or encumbrances to which the Secured Creditor has agreed to postpone registered on title to the Premises subsequent to the Charge.
21. We have not conducted any title or off-title searches in connection with the Premises other than a review of the parcel pages. Without limiting the generality of the foregoing, we have not conducted any searches for compliance of the Charge or the Debtor's title to the Premises with the terms of the *Planning Act* (Ontario).

The opinions that we have expressed in this letter are limited to the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario. We trust that the foregoing opinions are satisfactory for your purposes. If you should have any questions or require further clarification in any respect, please do not hesitate to contact us.

Yours very truly,

AIRD & BERLIS LLP

Aird & Berlis LLP

SCHEDULE "A"
RECONCILED PAYOUT STATEMENT

See attached

21752322.1

Pembroke Residence Ltd.
Outstanding Amount as of February 28, 2015

Principal Mortgage Outstanding \$ 3,100,000.00

Add:

Interest	\$ 476,375.00	
Interest on Acceleration - Starting June 11/14	\$ 678,291.11	
Fees to February 28, 2015	\$ 121,031.00	
Penalties on Interest Payments	\$ 14,238.00	
Penalties on Property Taxes Due	\$ 9,718.00	
Penalties on Not Providing Review Engagement Statements	\$ 11,300.00	
Penalty on Delinquent Payment - Review Engagement Strmts.	\$ 791.00	
Penalties on Not Providing Quarterly Internal Strmts.	\$ 9,718.00	
Legal Fees paid to date to Chaiton's	\$ 20,000.00	
Property Taxes Paid on behalf of borrower	\$ 55,000.00	
Penalty on Property Taxes Paid on Behalf of borrower	\$ 5,198.00	
Interest Arrears	\$ 57,752.51	\$ 1,459,412.62

\$ 4,559,412.62

Payments Received from Inception to date

\$ 290,625.00
<u>\$ 4,268,787.62</u>

Pre-Payment Interest Penalty (30 days Notice Required)- 1 1/2 months
- Restated Loan Agreement - Sec. 5 (c) \$ 52,125.00

Fees Due at February 28th., 2015 \$ 36,951.00

Legal Fees - Outstanding not Paid to Phil Thompson	\$ 663.40	
Legal Fees - Outstanding not Paid to Phil Thompson	\$ 960.25	\$ 1,623.65

Legal Fees Owed to Chaitons Billing to Nov.13/14	\$ 48,086.96	
Payment Applied	\$ 20,000.00	\$ 28,086.96

Forbearance Fees -NSF plus NSF Charges	\$ 1,808.00
Discharge Statements Provided at least 3 times	\$ 1,695.00

Total Outstanding to February 28, 2015 \$ 4,391,077.23

Notes:

- 1 Receiver Fees Not Included & Receiver Counsel fees not included
- 2 Legal Fees for Chaitons to Nov.13/14; to add all fees till completion
- 3 Not included is advances to receiver for operations. - \$ 60,000 plus interest
- 4 Legal Fees for Phil Thompson not billed Approx \$ 2,000

Charges per diem per day on acceleration @ 24% per annum on Outstanding amount is \$ 2,887.28

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Tab K

District of ONTARIO
Division No. 09 - Toronto
Court No. 31-457823
Estate No. 31-457823

**IN THE MATTER OF THE RECEIVERSHIP OF THE PROPERTY OF
PEMBROKE RESIDENCE LTD.
A CORPORATION DULY INCORPORATED PURSUANT TO THE LAWS OF ONTARIO
WITH ITS HEAD OFFICE IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO
RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

Receipts

1. Operating Receipts		
Sales	200,521.19	200,521.19
2. Miscellaneous		
Advance from secured creditors	60,000.00	
HST collected	18,988.48	
Interest Allocation	35.61	
Utilities Refund	419.85	79,443.94
Total Receipts		<u>\$279,965.13</u>

Disbursements

1. Filing Fees		
Paid to Official Receiver	70.00	70.00
2. Advertising Sales Process		
Globe and Mail	1,468.88	1,468.88
3. Stocktaking and possession		
Appraisal fees	7,617.00	
Insurance	2,244.24	9,861.24
4. Operating Disbursements		
Linen Purchases	1,934.90	
Equipment Leasing	4,649.45	
Postage, Photocopies and Fax Expenses	260.15	
Supplies Expense	4,028.33	
Travel expense	257.68	
Food & Beverage Inventory Purchases	3,891.65	
Laundry Expense	8,274.77	
Uniform Expense	550.31	
Utilities	22,257.31	
Fire Inspection Expense	550.00	
Repairs & Maintenance	20,298.58	
Outside Consulting/Management Fee	27,495.09	
Petty Cash	750.00	
Waste Removal	869.58	96,067.80
5. Federal and Provincial Taxes		
HST on Administrative Disbursements	9,462.10	9,462.10
6. Miscellaneous		
Telecommunications	4,439.05	
Other Miscellaneous Disbursements	275.00	
Commission	13,146.27	
Payroll Deductions	10,606.71	
HST remitted	12,971.78	
Computer Services	120.00	
Accounting Services	4,400.00	
Municipal Property Taxes	19,220.20	
Wages	42,602.77	
Pre-Receiver's Payroll	6,104.82	
Interest on Receiver's Borrowings	901.27	
Interest Payment to First Mortgagee	20,000.00	134,787.87
Total Disbursements		<u>\$251,717.89</u>

Amount Available for Distribution

\$28,247.24

Date: January 31, 2015

A. FARBER & PARTNERS INC. - Receiver

HANDS-ON CAPITAL INVESTMENTS INC.

- and -

PEMBROKE RESIDENCE LTD.

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

**MOTION RECORD
(returnable March 3, 2015)**

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Lawyers for A. Farber & Partners Inc., in its capacity as the Court-appointed receiver and manager of Pembroke Residences Ltd.

HANDS-ON CAPITAL INVESTMENTS INC.

- and -

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