

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

BETWEEN:

ZAHERALI VISRAM

Applicant

– and –

2220277 ONTARIO INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C-43, AS AMENDED

MOTION RECORD
(returnable April 8, 2019)

March 28, 2019

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TAB 1

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ZAHERALI VISRAM

Applicant

– and –

2220277 ONTARIO INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C-43, AS AMENDED

NOTICE OF MOTION
(returnable April 8, 2019)

A. Farber & Partners Inc. (“**Farber**”), in its capacity as the court-appointed receiver (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of 2220277 Ontario Inc. (the “**Debtor**”), appointed pursuant to the Order of the Honourable Justice Mesbur, dated August 1, 2017 (the “**Receivership Order**”), will make a motion to a judge presiding over the Commercial List on April 8, 2019, at 10:00 a.m., at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR AN ORDER:

1. If necessary, abridging the time for service of the Notice of Motion and the Motion Record and validating service thereof;
2. Approving the Receiver’s Fourteenth Report to the Court, dated March 14, 2019 (the “**Fourteenth Report**”), the Receiver’s Fifteenth Report to the Court, dated March 28,

2019 (the “**Fifteenth Report**”), and the activities and conduct of the Receiver described in each report;

3. Approving the Receiver’s Statement of Receipts and Disbursements, dated March 25, 2019 (the “**R&D**”);
4. Approving the fees and disbursements of the Receiver for the period from January 1, 2019, to March 24, 2019, and its counsel, for the period from January 1, 2019, to February 28, 2019, as described in the Fifteenth Report and the affidavits as to fees filed in respect of the Receiver’s motion;
5. Authorizing and directing the Receiver to distribute an additional \$500,000 to Zaherali Visram (“**Visram**”) in partial satisfaction of the Debtor’s indebtedness;
6. Authorizing the Receiver, without further Court Order, to distribute additional funds to Visram, in such amount(s) and at such time(s) as the Receiver may determine, up to a maximum aggregate amount of \$9,018,721;
7. Directing the Receiver to pay the \$453,189.90 of insurance proceeds (the “**Insurance Proceeds**”) held in trust by the Receiver to the Debtor’s estate for distribution amongst the Debtor’s creditors in accordance with their respective priorities, and declaring that 756597 Ontario Limited (“**756 Ontario**”), 2296528 Ontario Inc. (“**229 Ontario**”), Evan Karras (“**Karras**”) and any other related party have no right, claim or entitlement to the Insurance Proceeds;
8. Directing Karras, 756 Ontario and 229 Ontario, on a joint and several basis, to pay \$109,215.30 to the Receiver on account of misdirected pre-receivership insurance proceeds, which payment shall be received within twenty (20) days of the date of the Order and paid to the Debtor’s estate for distribution amongst the Debtor’s creditors in accordance with their respective priorities;
9. Directing Karras, 756 Ontario and 229 Ontario, on a joint and several basis, to pay costs to the Receiver in the amount of \$54,056.94, which shall be paid forthwith, and no later

- than thirty (30) days from the date of the Order, and paid to the Debtor's estate for distribution amongst the Debtor's creditors in accordance with their respective priorities;
10. Directing the Receiver to pay the \$70,000 (the "**Settlement Funds**") held in trust by the Receiver to the Debtor's estate for distribution amongst the Debtor's creditors in accordance with their respective priorities, and declaring that 9329293 Canada Inc. ("**932 Canada**"), Karras and any other related party have no right, claim or entitlement to the Settlement Funds;
 11. Directing bE SixFifty Hotel Inc. ("**bE SixFifty**") to deliver to the Receiver, within ten (10) days of the date of the Order:
 - (a) verifiable evidence of bE SixFifty's set off claim in respect of the Overdue Rent (defined below), including copies of invoices and proof of payment by bE SixFifty, and payment of rent in the amount of \$8,815.94 for the period of December 1-17, 2017 ("**December's Rent**"); or
 - (b) payment to the Receiver of the Overdue Rent of \$211,582.43, plus December's Rent, totalling \$220,398.37, for distribution amongst the Debtor's creditors in accordance with their respective priorities; and
 12. Such further and other relief that the Receiver may request and this Honourable Court may consider just.

THE GROUNDS FOR THE MOTION ARE:

Background

13. Pursuant to the Receivership Order, Farber was appointed as Receiver of the Property;
14. The Property included the real property municipally known as 650 Bay Street and 55 Elm Street located in downtown Toronto, Ontario (the "**Real Property**");
15. On February 28, 2019, pursuant to the Approval and Vesting Order of the Honourable Justice Chiappetta, dated January 21, 2019, the Real Property was sold for \$8,500,000 to a third party;

16. Eight parties, including the Applicant, held mortgages/charges registered against the Real Property with a total face value of approximately \$13.25 million (additional amounts are alleged to be secured by the mortgages increasing the total indebtedness to approximately \$15 to \$20 million);
17. On March 28, 2019, pursuant to the Order of the Honourable Justice Chiappetta, dated January 21, 2019 (the “**January 21 Order**”), the Receiver filed an assignment in bankruptcy on behalf of the Debtor.

Distribution

18. Visram, the Applicant in this proceeding, holds the first and second mortgages registered on title to the Real Property;
19. In addition to the two mortgages, the Debtor executed and delivered to Visram a General Security Agreement, dated May 27, 2015. Visram registered a financing statement pursuant to the *Personal Property Security Act* (Ontario) (“**PPSA**”), on May 27, 2015, against the proper name of the Debtor claiming a security interest over all collateral classes except “consumer goods”;
20. There are currently no PPSA registrations in priority to Visram’s registration, however there were three (3) PPSA registrations in priority to Visram’s registration as of the date of the Receivership Order. Each of these secured parties will be served with the Receiver’s Motion Record;
21. Visram claims to be owed under the first and second mortgages, at a minimum, \$9,018,721.19 as of February 16, 2018. Interest has continued to accrue thereafter;
22. The total quantum of Visram’s claim has been contested in this proceeding;
23. To date, pursuant to previous Orders of this Honourable Court, the Receiver has distributed \$7,100,000 to Visram in respect his mortgage security, on a without prejudice basis and subject to an accounting;
24. The Receiver requests authority to:

- (a) make a third interim distribution to Visram in the total amount of \$500,000; and
- (b) in the Receiver's discretion, make subsequent distributions to Visram, without further Court Order, up to a maximum amount of \$9,018,721;

Insurance Proceeds

- 25. In March, 2016 (prior to the Receivership Order), a flood at the Real Property caused substantial water damage to the building;
- 26. At the time of the flood, two restaurants, operated by related parties, and a boutique hotel operated by the Debtor as bE SixFifty Hotel occupied the Real Property;
- 27. The Debtor and other insured parties filed a claim under their joint policy with their insurer, Intact Insurance Company ("**Intact**"), in respect of the damage to the building and contents, and also business interruption losses;
- 28. Prior to the receivership, Intact paid a portion of the insureds' claim, totalling \$810,033.68 (the "**Pre-Receivership Intact Payments**"), to 756 Ontario and other companies controlled by Karras. None of these funds were paid to the Debtor;
- 29. Pursuant to the Order of the Honourable Justice Penny, dated September 20, 2018 (the "**September 20 Order**"), Karras, 756 Ontario and 229 Ontario were required to deliver to the Receiver an accounting of all Pre-Receivership Intact Payments and disgorge such funds and deliver them to the Receiver, in trust;
- 30. Karras, 756 Ontario and 229 Ontario failed to comply with the September 20 Order and the Receiver returned before the Court on five (5) separate occasions seeking compliance with same;
- 31. Karras ultimately provided to the Receiver a final spreadsheet with a list of payments totalling \$1,129,153.76 that Karras claims were made on behalf of or for the benefit of the Debtor;

32. The Receiver reviewed the information and documentation and determined that Karras, 756 Ontario and 229 Ontario failed to establish that \$679,802.32 of the alleged payments were spent on behalf of or for the benefit of the Debtor;
33. As of the date of the Receivership Order, certain repair costs and a significant portion of the business interruption claims remained unpaid. Pursuant to the September 20 Order, Intact paid the \$453,189.90 Insurance Proceeds to the Receiver, in trust, in full and final satisfaction of the outstanding insurance claim;
34. The remaining issue is the allocation of the Insurance Proceeds amongst the Debtor, 756 Ontario and 229 Ontario;
35. To date, Karras, 756 Ontario and 229 Ontario have received insurance proceeds totalling \$810,034, however, based on the Receiver's review of the information provided by Karras and the expert report prepared in respect of the insurance claim, such parties are only entitled to \$700,817.94 of the total insurance proceeds;
36. As a result, Karras and his related companies:
 - (a) owe to the Debtor's estate payment in the amount of \$109,215.30 (ie. \$810,033.68 - \$700,818.38); and
 - (b) have no entitlement to the remaining \$453,189.90 Insurance Proceeds held in trust;
37. Accordingly, the Receiver recommends to this Honourable Court that:
 - (a) each of Karras, 756 Ontario and 229 Ontario be required to pay \$109,215.30 to the Receiver on account of misdirected Pre-Receivership Intact Payments for distribution amongst the Debtor's creditors; and
 - (b) the Receiver be directed to pay the entirety of the \$453,189.90 Insurance Proceeds to the Debtor's estate for distribution amongst the Debtor's creditors;

Costs

38. The Receiver has incurred significant costs in bringing a Contempt Motion due to Karras' failure to comply with the September 20 Order and has spent considerable time reviewing and reconciling the various versions of payment summaries and alleged supporting documentation provided by Karras, meeting with Karras to discuss the information, attending court on five (5) separate occasions to seek compliance with the September 20 Order and preparing the Fourteenth Report;
39. The costs outline and summary of Receiver's costs, each attached to the Fifteenth Report, show that the total professional fees in addressing this issue, since November 29, 2018, exceed \$54,056.94;
40. The Receiver requests a joint and several costs award against Karras, 756 Ontario and 229 Ontario in the amount of \$54,056.94;

LP Settlement Funds

41. Pursuant to the Order of the Honourable Justice Hainey, dated November 22, 2018 (the "**November 22 Order**"), the Receiver is holding the Settlement Funds, totalling \$70,000, in trust;
42. The Settlement Funds were paid pursuant to Minutes of Settlement entered into by Karras, 932 Canada (a company Karras is the sole officer and director of) and certain third parties (the "**Lalu Parties**"), which contemplated the transfer of a limited partnership unit (the "**LP Unit**") (apparently held by the Debtor as nominee) to a related party assignee and the payment of \$300,000 (in two installments) to 932 Canada;
43. Due to the absence of books and records, the Receiver was unable to determine what, if any, interest the Debtor had in the LP Unit and the \$300,000 payment;
44. Pursuant to the Endorsement of the Honourable Justice Dunphy, dated March 6, 2018, and on the consent of the parties, including Karras, the Receiver executed the Assignment providing for the transfer of the LP Unit. The \$300,000 settlement payment was divided

as follows: (a) \$100,000 was paid to 932 Canada; and (b) the remaining \$200,000 was paid to Goldman Hine LLP, in trust;

45. On November 22, 2018, the Lalu Parties brought a motion seeking to obtain payment of the \$200,000. The Receiver objected to the motion and the parties ultimately consented to the terms of the November 22 Order providing for the payment of the \$70,000 Settlement Funds to the Receiver, in trust;
46. Karras and 932 Canada did not file any materials or oppose the Lalu Parties' motion seeking repayment of the \$200,000 and, as such, they cannot now assert any interest in those funds;
47. In addition, Karras and the various companies which he controls owe substantial sums of money to the Debtor;
48. In these circumstances, it would be unconscionable for Karras or 932 Canada, a company which he controls, to receive any of the Settlement Funds;
49. Accordingly the Receiver requests this Honourable Court order that the Settlement Funds be paid to the Debtor's estate for distribution amongst its creditors in accordance with their respective priorities;

Hotel Rent

50. Pursuant to the Lease, dated July 27, 2016 ("**Lease**"), bE SixFifty leased a portion of the Real Property until the termination of the Lease by the Receiver (for non-payment of rent) on December 18, 2017. The commencement date of the Lease was July 27, 2016 (the "**Commencement Date**");
51. Karras is the sole director and the controlling mind of bE SixFifty;
52. The Lease provided for monthly rent in the amount of \$16,076.12, however there is no indication in the Debtor's records that any rent was paid prior to the Receiver's appointment on August 1, 2017;

53. The Receiver requested documentation from bE SixFifty establishing that rent for the period from July 26, 2016 (the Commencement Date), to August 31, 2017, in the total amount of \$211,582.43 (the “**Overdue Rent**”) was in fact paid to the Debtor;
54. bE SixFifty responded by providing a schedule purporting to show the set-off of all Overdue Rent and representing to the Receiver that the parties agreed to a full abatement for 2016, during which time the hotel was not operational.
55. To date, despite repeated requests by the Receiver, bE SixFifty has failed to provide credible documentation to the Receiver evidencing the payment or setoff of any rent prior to the date of the Receivership Order. Accordingly, the Receiver is not satisfied that the Overdue Rent was abated or otherwise properly set off;
56. In addition, bE SixFifty failed to pay December’s Rent to the Receiver for the period of December 1-17, 2017;
57. The Receiver requests that this Honourable Court direct bE SixFifty to deliver to the Receiver verifiable evidence of bE SixFifty’s set off claim in respect of the Overdue Rent, including copies of invoices and proof of payment by bE SixFifty and pay December’s Rent, or pay to the Receiver all outstanding rent (Overdue Rent and December’s Rent), totalling \$220,398.37;

Fees and R&D

58. The Receiver’s R&D, dated March 25, 2019, is attached as Appendix “U” to the Fifteenth Report;
59. The Receiver’s fees and those of its counsel are detailed in the Fifteenth Report and the affidavits as to fees filed in respect of this motion;

Other Grounds

60. Section 243 of the *Bankruptcy and Insolvency Act* (Canada);
61. Rules 2.03, 3.02, 16.01 and 37 of the *Rules of Civil Procedure* (Ontario); and

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

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

1. The Fourteenth Report;
2. The Fifteenth Report;
3. the Affidavit of John Salmas, sworn March 28, 2019;
4. the Affidavit of John Hendriks, sworn March 27, 2019; and
5. Such further and other material as counsel may advise and this Honourable Court may permit.

March 28, 2019

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PROCEEDING COMMENCED AT TORONTO

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(returnable April 8, 2019)**

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TAB 2

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

BETWEEN:

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Applicant

- and -

2220277 ONTARIO INC.

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COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**FIFTEENTH REPORT TO THE COURT OF A. FARBER & PARTNERS INC. IN ITS
CAPACITY AS COURT APPOINTED RECEIVER OF 2220277 ONTARIO INC.**

March 28, 2019

A. GENERAL BACKGROUND

1. On August 1, 2017, pursuant to an order (the “**Receivership Order**”) of this Honourable Court (the “**Court**”), A. Farber & Partners Inc. was appointed receiver (the “**Receiver**”), pursuant to section 243(1) of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”) and Section 101 of the *Courts of Justice Act*, R.S.O. 1990 over all of the assets, undertakings and properties (the “**Property**”) of 2220277 Ontario Inc. (the “**Debtor**”). A copy of the Receivership Order is attached hereto as Appendix “A”.
2. The Debtor is a corporation incorporated pursuant to the laws of the Province of Ontario.
3. Evan Karras (“**Karras**”) is the sole director and officer of the Debtor.

4. At the time of the Receiver's appointment, the Property included, without limitation, the real property municipally known as 650 Bay Street and 55 Elm Street located in Toronto, Ontario (the "**Real Property**"). A hotel and restaurant occupied the Real Property pursuant to leases entered into with the Debtor. The Receiver terminated both leases for non-payment of rent.
5. On February 28, 2019, pursuant to the Approval and Vesting Order of the Honourable Justice Chiappetta, dated January 21, 2019, the Real Property was sold for \$8,500,000 to a third party.
6. The Debtor has multiple secured and unsecured creditors. Prior to the sale, eight parties held mortgages/charges registered against the Real Property with a total face value of approximately \$13.25 million (additional amounts are alleged to be secured by the mortgages increasing the total indebtedness to approximately \$15 to \$20 million). In addition to the amounts owing to the mortgagees, there are two PPSA registrations against the Debtor, approximately \$54,498.90 of unremitted employee source deductions and \$42,146.22 of unremitted HST owing to the Canada Revenue Agency ("**CRA**"), as well as a number of unsecured creditors.
7. On March 28, 2019, pursuant to the Order of the Honourable Justice Chiappetta, dated January 21, 2019 (the "**January 21 Order**"), the Receiver filed an assignment in bankruptcy on behalf of the Debtor.

B. PURPOSE OF THE REPORT

8. The purpose of this Fifteenth Report to the Court of A. Farber & Partners Inc. (the "**Fifteenth Report**"), is to report to the Court on the Receiver's activities since the Thirteenth Report to the Court of the Receiver, dated January 8, 2019 (the "**Thirteenth Report**"), and seek an Order:
 - (a) Approving the Fourteenth Report, dated March 14, 2019 (the "**Fourteenth Report**"), and this Fifteenth Report and the activities and conduct of the Receiver described in each report;

- (b) Approving the Receiver's Statement of Receipts and Disbursements, dated March 25, 2019 (the "**R&D**");
- (c) Approving the fees and disbursements of the Receiver, for the period from January 1, 2019, to March 24, 2019, and its counsel, for the period from January 1, 2019, to February 28, 2019, as described herein and the affidavits as to fees filed in respect of the Receiver's motion;
- (d) Authorizing and directing the Receiver to distribute an additional \$500,000 to Zaherali Visram ("**Visram**") in partial satisfaction of the Debtor's indebtedness;
- (e) Authorizing the Receiver, without further Court Order, to distribute additional funds to Visram, in such amount(s) and at such time(s) as the Receiver may determine, up to a maximum aggregate amount of \$9,018,721;
- (f) Directing the Receiver to pay the \$453,189.90 of insurance proceeds (the "**Insurance Proceeds**") held in trust by the Receiver to the Debtor's estate for distribution amongst the Debtor's creditors in accordance with their respective priorities, and declaring that 756597 Ontario Limited ("**756 Ontario**"), 2296528 Ontario Inc. ("**229 Ontario**"), Karras and any other related party have no right, claim or entitlement to the Insurance Proceeds;
- (g) Directing Karras, 756 Ontario and 229 Ontario, on a joint and several basis, to pay \$109,215.30 to the Receiver on account of misdirected pre-receivership insurance proceeds, which payment shall be received within twenty (20) days of the date of the Order and paid to the Debtor's estate for distribution amongst the Debtor's creditors in accordance with their respective priorities;
- (h) Directing Karras, 756 Ontario and 229 Ontario, on a joint and several basis, to pay costs to the Receiver in the amount of \$54,056.94, which shall be paid forthwith, and no later than thirty (30) days from the date of the Order, and paid to the Debtor's estate for distribution amongst the Debtor's creditors in accordance with their respective priorities;

- (i) Directing the Receiver to pay the \$70,000 (the “**Settlement Funds**”) held in trust by the Receiver to the Debtor’s estate for distribution amongst the Debtor’s creditors in accordance with their respective priorities, and declaring that 9329293 Canada Inc. (“**932 Canada**”), Karras and any other related party have no right, claim or entitlement to the Settlement Funds; and
- (j) Directing bE SixFifty Hotel Inc. (“**bE SixFifty**”) to deliver to the Receiver, within ten (10) days of the date of the Order:
 - (i) verifiable evidence of bE SixFifty’s set off claim in respect of the Overdue Rent (defined below), including copies of invoices and proof of payment by bE SixFifty, and payment of rent in the amount of \$8,815.94 for the period of December 1-17, 2017 (“**December’s Rent**”): or
 - (ii) payment to the Receiver of the Overdue Rent of \$211,582.43, plus December’s Rent, totalling \$220,398.37, for distribution amongst the Debtor’s creditors in accordance with their respective priorities.

C. DISCLAIMER

9. In preparing this Fifteenth Report, the Receiver has relied upon unaudited, draft and/or internal financial and other information provided by the sole director and officer of the Debtor, its advisors, and other third-party sources. The Receiver has not independently reviewed or verified such information. The Receiver has prepared this Fifteenth Report for the sole use of the Court and of the other stakeholders in these proceedings.

D. RECEIVER’S ACTIVITIES

10. The Receiver’s activities since those described in the Thirteenth Report include:
- (a) preparation and finalization of the Thirteenth Report and Receiver’s Motion record, coordinate with Dentons for service of same and attending Court on January 21, 2019, for the Receiver’s Motion for approval of the sale of the Real Property;
 - (b) ongoing discussions and correspondence with the purchaser of the Real Property prior to closing with respect to the purchaser’s requests to, among other things,

- amend certain aspects of the Agreement of Purchase and Sale, obtain additional due diligence materials and site plans, extend the closing, and access the Real Property for limited environmental investigation/inspection;
- (c) negotiating an extension of the closing date of the sale of the Real Property to February 28, 2019;
 - (d) preparation and review of schedules and documents for the closing of the sale of the Real Property;
 - (e) correspondence and discussions with suppliers to the Receiver to continue the ongoing security, utilities, repairs and maintenance and insurance coverage to the Real Property up to the February 28, 2019 sale of the Real Property;
 - (f) numerous calls and emails to arrange the transfer of the utilities, security and property tax accounts to the purchaser of the Real Property and to arrange for the final billings to the date of closing to be issued to the Receiver;
 - (g) reviewing various schedules, information and documentation provided by Karras on January 9, 2019, February 8, 2019, and March 1, 2019 in respect of the Pre-Receiver's Intact Payments (defined below) and providing Karras with the Receiver's comments regarding missing/additional information to be provided;
 - (h) attending before Justice Chiappetta on January 23, 2019, February 15, 2019, and March 6, 2019, to provide Her Honour with an update on the documents and information provided by Karras in respect of the Pre-Receiver's Intact Payments;
 - (i) responding to ongoing queries from interested parties and creditors including CRA, the City of Toronto and secured creditors ranking subsequent to the Applicant on the status of the closing of the sale and preliminary consideration of the relative priority amongst the various claims;
 - (j) discussions with Visram and his counsel regarding outstanding matters in this receivership proceeding including the status and ultimate sale of the Real Property,

funds on hand available for interim distribution, and the status of outstanding litigation matters;

- (k) maintaining and updating the website including posting of Court reports, motion materials and updated service list;
- (l) preparing the Fourteenth Report, which details the Receiver's review of the payments made by Karras out of the Pre-Receivership Intact Payments;
- (m) preparing this Fifteenth Report;
- (n) ongoing compliance with the receivership related provisions of the BIA;
- (o) ongoing estate banking and monitoring including correspondence with the lenders under the Receiver's Certificates and calculation and payment of the Receiver's Certificates, including interest from the closing proceeds; and
- (p) corporate tax and HST filing compliance and extensive follow up with CRA regarding their ongoing audits of the Receiver's HST filings ultimately leading to the recovery of the September 30, 2018 HST refund claim of \$149,737.46 on March 25, 2019.

E. THIRD DISTRIBUTION

11. Visram, the Applicant in this proceeding, holds the first and second mortgages registered on title to the Real Property. The total quantum of Visram's claim has been contested in this proceeding by the fifth mortgagee, CVC Ardellini Investments Inc. ("**CVC Ardellini**") and Karras. A copy of the subsearch in respect of the Real Property, dated January 2, 2019, is attached hereto as Appendix "B".
12. In addition to the two mortgages, the Debtor executed and delivered to Visram a General Security Agreement, dated May 27, 2015. Visram registered a financing statement pursuant to the *Personal Property Security Act* (Ontario) ("**PPSA**"), on May 27, 2015, against the proper name of the Debtor claiming a security interest over all collateral classes except "consumer goods".

13. There are currently no PPSA registrations in priority to Visram's registration. As of the date of the Receiver's appointment, there were three (3) PPSA registrations in priority to Visram's registration:

NO	REFERENCE FILE NO.	SECURED PARTY	DEBTOR	DATE OF REGISTRATION	COLLATERAL SECURED AND COMMENTS
1.	686673162	Gold Card Leasing o/b Goldcard Inc.	2220277 Ontario Inc. Atlantic Union Investments Inc.	March 19, 2014 (exp. March 19, 2019)	Equip, other, MV incl. MV: WDDNG8GB2BA368898 GCD: None.
2.	696256452	Gold Card Leasing o/b Goldcard Inc.	2220277 Ontario Inc. Atlantic Union Investments Inc.	May 20, 2014 (exp. May 20, 2019)	Equip, other, MV incl. MV: 4JGDA2EB9EA295035 GCD: None.
3.	702885978	Holand Leasing [1995] Ltd.	2220277 Ontario Inc.	Jan. 1, 2015 (exp. Jan 1, 2019)	Consumer Goods, MV incl. MV: WDDUG8FB0FA142653 GCD: None.

14. The registration in favour of Holand Leasing [1995] Ltd. and the first registration in favour of Gold Card Leasing expired earlier this year. It appears that the second registration in favour of Gold Card Leasing was discharged at some point during the course of the receivership. A copy of the certified PPSA searches in respect of the Debtor, dated March 17, 2019 and May 2, 2017, are attached hereto as Appendix "C". Each of the secured parties listed in the above schedule will be served with the Receiver's Motion Record and Fifteenth Report.
15. The Receiver obtained opinions from its legal counsel that, subject to the usual assumptions and qualifications:
- (a) the two mortgages registered in favour of Visram are each valid and enforceable;
and

- (b) the GSA grants to Visram a valid and enforceable security interest in all of the Debtor's present and after-acquired personal property.
16. Pursuant to the Order of the Honourable Justice Hainey, dated February 22, 2018 (the "**Distribution Order**"), this Honourable Court authorized a distribution to Visram (out of the proceeds of the stalking horse transaction) in the total amount of \$8,000,000, without prejudice and subject to a future accounting. A copy of the Distribution Order is attached hereto as Appendix "D". The stalking horse transaction failed to close and that distribution was never made, save for a distribution of \$600,000 from the deposit forfeited by the Stalking Horse Bidder.
 17. Pursuant to the January 21 Order, after closing the sale of the Real Property on February 28, 2019, the Receiver distributed \$6,500,000 to Visram. Pursuant to the January 21 Order, the distribution was on a without prejudice basis and subject to a future accounting.
 18. To date, Visram has received interim distributions totalling \$7,100,000. As detailed in his Reply Affidavit, sworn February 16, 2018 ("**Reply Affidavit**"), Visram claims to be owed under the first and second mortgages, at a minimum, \$9,018,721.19 as of February 16, 2018. Interest has continued to accrue thereafter. A copy of the Reply Affidavit is attached hereto as Appendix "E".
 19. The Receiver's motion for the Distribution Order was opposed by Karras and CVC Ardellini, the fifth mortgagee. Since the date of the Distribution Order, each of Karras and CVC Ardellini have had ample opportunity to review and consider Visram's accounting set forth in the Reply Affidavit and, to the Receiver's knowledge, no further steps have been taken in this regard.
 20. Accordingly, the Receiver:
 - (a) supports any motion brought by Visram for an Order of this Honourable Court declaring that the accounting condition and without prejudice qualification on the previous two interim distributions be of no further force or effect; and
 - (b) is requesting authority to make:

- (i) a third distribution to Visram, totaling \$500,000; and
 - (ii) subsequent additional distributions to Visram, without further Court Order, up to a maximum aggregate amount of \$9,018,721.
21. The Receiver has calculated the proposed third distribution amount of \$500,000 such that it will retain sufficient funds to pay any priority claims of the CRA, as well as fees and other expenses of the receivership pending completion of the estate administration.

F. INSURANCE PROCEEDS

Pre-Receivership Insurance Proceeds

22. In March, 2016 (prior to the Receivership Order), a flood at the Real Property caused substantial water damage to the building. At the time of the flood, two restaurants, 650 Café and the Sliced Gourmet (the “**Restaurants**”), operated by related parties, and a boutique hotel operated by the Debtor as bE SixFifty Hotel (the “**Hotel**”) occupied the Real Property.
23. The flood caused damage to the physical premises and resulted in the interruption of the business operations of the Restaurants and the Hotel. Subsequent to the flood, the hotel reopened pursuant to a Lease, dated July 27, 2016 (the “**Lease**”), entered into by the Debtor and a newly incorporated related party, bE SixFifty, which thereafter operated the hotel.
24. As a result of the flood, the Debtor and other insured parties filed a claim under their joint policy with their insurer, Intact Insurance Company (“**Intact**”), in respect of the damage to the building and contents, and also business interruption losses. According to the records obtained by the Receiver, Intact paid a portion of the insureds’ claim, totalling \$810,033.68 (the “**Pre-Receivership Intact Payments**”) prior to the Receivership. The payments were in respect of business interruption losses and damage to the building.
25. Based on the Receiver’s review of the Debtor’s books and records, although the Debtor owned the Real Property and operated the Hotel at the time of the flood, none of these funds were paid to the Debtor. There is no record in the Debtor’s bank records of it receiving any of these funds either directly from Intact or indirectly from any of the other parties.

26. Karras, the sole officer and director of all the insured parties, directed Intact that all the Pre-Receivership Intact Payments be paid to 756 Ontario and other companies controlled by Karras, and nothing be paid to the Debtor. The cheques were made payable to 756 Ontario only, or jointly to 756 Ontario, 999130 Ontario Ltd. (“999 Ontario”), 229 Ontario, and 2292470 Ontario Inc. Karras is the sole director and officer of each of 756 Ontario, 299 Ontario and 999 Ontario. Karras and one other individual are directors of 2292470 Ontario Inc. Copies of the corporate profiles for each of 756 Ontario, 229 Ontario, 999 Ontario and 2292470 Ontario Inc. are attached hereto as Appendix “F”.

27. Below is a summary of the Pre-Receivership Intact Payments:

	Payee	Coverage	Description	Date	Amount
1	756 Ontario, et al ¹	Business Interruption	BI Advance	28/03/2016	\$20,000
2	756 Ontario, et al	Business Interruption	BI Advance	28/03/2016	\$20,000
3	756 Ontario, et al	Business Interruption	BI Advance	07/04/2016	\$20,000
4	756 Ontario, et al	Business Interruption	BI Advance	22/04/2016	\$20,000
5	756 Ontario, et al	Building	Building Advance	31/05/2016	\$30,000
6	756 Ontario	Business Interruption	BI Advance	12/07/2016	\$200,000
7	756 Ontario	Extra Expense	Accountant Fee	15/07/2016	\$7,500
8	756 Ontario	Building	Building Advance	24/08/2016	\$20,000
9	756 Ontario	Business Interruption	BI Advance	03/11/2016	\$150,000
10	756 Ontario	Building	Building Advance	30/12/2016	\$75,000
11	756 Ontario	Business Interruption	BI Claim	26/01/2017	\$227,420
12	756 Ontario	Business Interruption	Stock & Equipment	14/06/2017	\$20,420.68
	Total				\$810,033.68

¹ The first five Intact cheques were made payable jointly to “756 Ontario, 999 Ontario, 229 Ontario and 2292470 Ontario Inc.”

28. Pursuant to the Order of the Honourable Justice Penny, dated September 20, 2018 (the “**September 20 Order**”), Karras, 756 Ontario and 229 Ontario were required to deliver to the Receiver an accounting of all Pre-Receivership Intact Payments received in respect of the March 13, 2016 flood at the Real Property. In addition, each of Karras, 756 Ontario and 229 Ontario were required to disgorge the Pre-Receivership Intact Payments of \$810,034 and deliver such funds to the Receiver, in trust. A copy of the September 20 Order is attached hereto as Appendix “G”.
29. Karras, 756 Ontario and 229 Ontario failed to comply with the September 20 Order and the Receiver returned before the Court on five (5) separate occasions seeking compliance with same. On March 1, 2019 Karras ultimately provided to the Receiver a final spreadsheet with a list of payments totalling \$1,129,153.76 that Karras claims were made on behalf of or for the benefit of the Debtor out of the \$810,034 of Pre-Receivership Intact Payments. Karras also provided a variety of information and documentation intended to validate certain of the payments alleged to have been made.
30. The Receiver reviewed the information and documentation and noted various material inadequacies in respect of same. Pursuant to the Endorsement of the Honourable Justice Chiappetta, dated March 6, 2019, the Receiver prepared its Fourteenth Report summarizing the Receiver’s review of the \$1,129,153.76 alleged payments and supporting documentation. A copy of the Fourteenth Report, including appendices, is attached hereto as Appendix “H”.
31. Based on its review of the information and the documentation provided by Karras, the Receiver summarized the alleged payments as falling into one of three categories:

Category	Amount
No Reasonable Support Provided/Disputed	\$160,405.79
Reasonable Support Not Yet Provided	\$519,396.53
Subtotal	\$679,802.32
Reasonable Support Provided	\$449,351.44
Total	\$1,129,153.76

32. In total, Karras, 756 Ontario and 229 Ontario failed to establish that \$679,802.32 of the alleged payments were spent on behalf of or for the benefit of the Debtor. At most, although some of the support is lacking, the Receiver is reasonably satisfied that \$449,351 was spent on behalf of or for the benefit of the Debtor. As of the date of this Fifteenth Report, Karras, 756 Ontario and 220 Ontario have not provided an accounting of the total funds received from Intact pre-receivership, nor have they disgorged any of the Pre- Receivership Intact Payments, as required by the September 20 Order.
33. The Endorsement of the Honourable Justice Chiappetta, dated March 6, 2019, contemplated that Karras will swear an affidavit responding to the Fourteenth Report and be subject to cross-examination thereon. The Fourteenth Report was served on the service list, including Karras and his counsel, on March 14, 2019. No responding affidavit has been received as at the date of this Fifteenth Report.

Post-Receivership Insurance Proceeds

34. As of the date of the Receivership Order, certain repair costs and a significant portion of the business interruption claims remained unpaid to the Debtor. Pursuant to the Notice of Action, issued March 3, 2017, and a Statement of Claim, dated March 30, 2017, the Debtor, 756 Ontario and 229 Ontario (collectively, the “**Plaintiffs**”) commenced an action bearing Court File No. CV-17-570808 (the “**Action**”) against Intact for damages incurred as a result of the flood, including business interruption losses. Copies of the Notice of Action and the Statement of Claim are attached hereto as Appendix “I”.

- 35. Karras is the sole director and officer of each of the Plaintiffs named in the Action.
- 36. The Statement of Claim, which was issued prior to the Receivership Order, states that 756 Ontario operated the Restaurants and the Debtor operated the Hotel. The Statement of Claim describes 229 Ontario as the parent company of the Debtor.
- 37. Pursuant to the September 20 Order, Intact paid the post-receivership Insurance Proceeds of \$453,189.90 to the Receiver, in trust, in full and final satisfaction of the outstanding insurance claim (i.e. the balance over and above the Pre-Receivership Intact Payments) and the Action was dismissed. The remaining outstanding issue is the allocation of the Insurance Proceeds amongst the Plaintiffs. The Receiver, Karras, 756 Ontario and 229 Ontario have been unable to agree as to the parties' respective entitlements to the Insurance Proceeds.
- 38. The Receiver is seeking an Order directing that the full amount of the Insurance Proceeds be paid to the Debtor's estate and declaring that each of Karras, 756 Ontario and 229 Ontario have no claim to the funds.
- 39. The Receiver understands that the Insurance Proceeds currently held in trust are comprised of the following amounts:

Business Interruption Claim (including Hotel and Restaurants)	\$394,820.00
Equipment Claim	\$17,000
Building Claim	\$41,369.00
Total	\$453,189.90

- 40. The \$41,369 building claim and \$17,000 equipment claim are clearly payable to the Debtor as, (a) it was the owner of the building, and (b) the Receiver has never received any indication that the equipment claim related to equipment that the Debtor did not own.
- 41. With respect to the \$394,820 business interruption claim, the Receiver has reviewed a copy of an expert report Karras commissioned for the purposes of the Action. A copy of the

expert report is attached hereto as Appendix “J”. The expert report allocates the business interruption losses among the parties, which results in a pro-rata allocation as follows:

Party	BI Loss Claim Percentage
650 Café	8.32%
Sliced Gourmet	15.13%
SixFifty Hotel	76.55%
Total	100%

42. Accordingly, out of the total \$394,820 business interruption proceeds held in trust, the Restaurants are entitled to a maximum of \$92,585.29 (8.32% + 15.13% = 23.45%) and the Debtor is entitled to \$302,234.71.
43. As noted above, Karras has reasonably established that subsequent to the Pre-Receivership Intact Payments, \$449,351 was spent on behalf of or for the benefit of the Debtor. The remaining \$360,683 (\$810,034-\$449,351) of Pre-Receivership Intact Payments are unaccounted for.
44. Out of the total \$1,263,223.58 of pre (\$810,034) and post (\$453,189) receivership insurance proceeds, the Receiver submits that the Plaintiffs’ current respective entitlements are as follows:

Plaintiffs	Insurance Proceeds Claim
Karras, 756 Ontario and 229 Ontario	
Reasonably supported pre-receivership payments made on behalf of the Debtor	\$449,351.44
Pre-receivership business interruption claim (23.45% of \$677,533.68) ²	\$158,881.65

² Insurance Proceeds related to pre-receivership business interruption payments totaled \$677,533.68 and \$132,500.00 related to building, equipment and other claims.

	Post-receivership business interruption claim (23.45% of \$394,820)	\$92,585.29
	Total	\$700,818.38
Debtor		
	Pre-receivership proceeds: \$810,033.68 total payment Less: \$158,881.65 Restaurants' business interruption claim Less: \$449,351.44 paid on Debtor's behalf	\$201,800.59
	Post-receivership building claim	\$41,369.00
	Post-receivership equipment claim	\$17,000
	Post-receivership business interruption claim (76.55% of \$394,820)	\$302,235.61
	Total	\$562,405.20
Total		\$1,263,223.58

45. As set out above, 756 Ontario and 229 Ontario are together entitled to \$700,818.38 out of the total \$1,263,223.58 of Pre-Receiver's Intact Payments and post-receivership Insurance Proceeds. However, 756 Ontario and 229 Ontario have to date already received payments from Intact totalling \$810,033.68. As a result, Karras and his related companies:
- (a) owe to the Debtor's estate payment in the amount of \$109,215.30 (i.e. \$810,033.68 - \$700,818.38); and
 - (b) have no entitlement to the remaining \$453,189.90 Insurance Proceeds held in trust.
46. In addition, even if all of the \$1,129,153.76 of payments Karras alleges were made on behalf of the Debtor were in fact for the Debtor's benefit, the party making the payments would at best have an unsecured claim against the Debtor's estate for repayment of the amounts spent in excess of the \$810,033 Pre-Receiver's Intact Payments. Any unsecured claim of 756 Ontario, 229 Ontario and related parties against the Debtor's estate

cannot take priority over the Debtor's entitlement to the Insurance Proceeds as this would result in a reversal of priorities and effectively give such parties a preferred claim to the funds ahead of CRA trust claims, registered mortgagees and personal property secured creditors.

47. Accordingly, the Receiver recommends to this Honourable Court that:

- (a) each of Karras, 756 Ontario and 229 Ontario be required to pay, on a joint and several basis, a total of \$109,215.30 to the Receiver on account of misdirected Pre- Receivership Intact Payments, which payment will be made to the Debtor's estate for distribution amongst the Debtor's creditors in accordance with their respective priorities; and
- (b) the Receiver be directed to pay the entirety of the \$453,189.90 Insurance Proceeds to the Debtor's estate for distribution amongst the Debtor's creditors in accordance with their respective priorities.

48. In the alternative, if this Honourable Court determines that 756 Ontario and 229 Ontario are entitled to a portion of the Insurance Proceeds, the Receiver has been provided with a copy of a Direction to Intact, dated January 20, 2017 (the "**Direction**"), executed by 756 Ontario, 229 Ontario and certain related companies (not including the Debtor). The Direction provides that 50% of the proceeds and payments due to such parties, after the next \$200,000, shall be payable to Visram. A copy of correspondence from Visram's counsel to Intact and the adjuster, enclosing the Direction, is attached hereto as Appendix "K". The Receiver has been advised by Intact that, since the date of the Direction, over \$200,000 has been paid out by Intact. Accordingly, 50% of any further amounts payable to each of the parties who executed the Direction should be payable directly to Visram.

Costs

49. The Receiver has incurred significant costs in bringing a Contempt Motion when Karras failed to comply with the September 20 Order. The Receiver has spent considerable time over the past 6 months reviewing the various differing versions of payment summaries and alleged supporting documentation provided by Karras, attempting to reconcile the

information provided, meeting with Karras to discuss the information, attending Court on five (5) separate occasions to seek compliance with the September 20 Order and preparing the Fourteenth Report.

50. Pursuant to the Endorsement of the Honourable Justice Chiappetta, dated November 29, 2018, costs were ordered payable by Karras in the amount of \$2,500 for not attending on the initial return date of the Contempt Motion. A copy of the November 29, 2018 Endorsement is attached hereto as Appendix "L". The \$2,500 was paid by Karras. Costs of all subsequent appearances were reserved.
51. Attached hereto as Appendix "M" is a costs outline showing the legal fees and disbursements incurred in respect of the contempt proceedings, and a summary of the Receiver's costs in dealing with this issue, each subsequent to November 29, 2018. The costs outline and summary of costs shows that the total professional fees in addressing this issue, since November 29, 2018, total \$54,056.94
52. The Receiver requests a joint and several costs award against Karras, 756 Ontario and 229 Ontario in the amount of \$54,056.94, which costs are to be paid to the Debtor's estate and available for distribution amongst the Debtor's creditors.

G. LP TRUST FUNDS

53. Pursuant to the Order of the Honourable Justice Hainey, dated November 22, 2018 (the "**November 22 Order**"), a copy of which is attached hereto as Appendix "N", the Receiver is holding the Settlement Funds, totalling \$70,000, in trust.
54. The Settlement Funds were paid to the Receiver out of the \$200,000 previously held in trust by Goldman Hine LLP. The \$200,000 was paid to Goldman Hine pursuant to the Minutes of Settlement, dated February 14, 2018, entered into by Karras, 932 Canada (a company Karras is the sole officer and director of), and 650 Bay Limited Partnership (the "**Partnership**") and its general partner, 650 Bay GP Inc. (together with the Partnership, the "**Lalu Parties**"). The Partnership beneficially own the real properties on Elm Street abutting the Real Property.

55. The Receiver was not a party to the Minutes of Settlement and did not participate in their negotiation. The Minutes of Settlement contemplate, among other things, the transfer of a limited partnership unit (the “**LP Unit**”) in the Partnership to a related party assignee and the payment of \$300,000 (in two installments) to 932 Canada. A copy of the Minutes of Settlement is attached hereto as Appendix “O”. Based on the documentation provided to the Receiver, the Debtor appeared to hold the LP Unit as nominee of 932 Canada.
56. Additional background in respect of the LP Unit and the Minutes of Settlement is set out in more detail in the Twelfth Report of the Receiver, dated November 19, 2018, attached hereto as Appendix “P” (without appendices).
57. The stalking horse bidder advised the Receiver that the transfer of the LP Unit was a necessary condition to close its acquisition financing for the Real Property. Due to the absence of books and records to support the entitlement to the LP Unit, the Receiver was unable to determine what, if any, interest the Debtor had in the LP Unit and the \$300,000 payment.
58. The Receiver did not wish to impede the sale of the Real Property to the stalking horse bidder (although ultimately the sale failed to close for other reasons). Pursuant to the Endorsement of the Honourable Justice Dunphy, dated March 6, 2018, and on the consent of the parties, including Karras, the Receiver executed the Assignment providing for the transfer of the LP Unit. The \$300,000 settlement payment was divided as follows: (a) \$100,000 was paid to 932 Canada; and (b) the remaining \$200,000 was paid to Goldman Hine LLP, in trust.
59. On November 22, 2018, the Lalu Parties brought a motion seeking to obtain payment of the \$200,000 on the basis that the stalking horse transaction failed to close. The Receiver, but not 932 Canada or Karras, objected to the motion and the parties ultimately consented to the terms of the November 22 Order. Pursuant to the November 22 Order, \$70,000 of the \$200,000 was paid to the Receiver, in trust, pending a determination of the respective entitlements of the Debtor and 932 Canada to the funds, and the Lalu Parties have no further interest in the \$70,000 Settlement Funds.

60. The Receiver requests that the \$70,000 Settlement Funds be paid to the Debtor's estate for distribution amongst the Debtor's creditors in accordance with their respective priorities the following reasons:
- (a) Karras and 932 Canada did not file any materials or oppose the Lalu Parties' motion seeking repayment of the full \$200,000 held in trust and, as such, they cannot now assert any interest in those funds;
 - (b) as set out in detail above, (i) the Receiver has incurred significant costs and fees in seeking compliance with the September 20 Order, and (ii) Karras and the various companies which he controls owe \$109,215.30 to the Debtor in respect of misdirected Pre-Receivership Intact Payments; and
 - (c) as set out in more detail below, bE SixFifty, a company Karras controls, owes to the Debtor \$220,398.37 in respect of rent arrears.
61. In such circumstances, it would be unconscionable for Karras or 932 Canada, a company which he controls, to receive any of the Settlement Funds.

H. HOTEL RENT

62. Pursuant to the Lease, bE SixFifty leased a portion of the Real Property until the termination of the Lease by the Receiver (for non-payment of rent) on December 18, 2017. The commencement date of the Lease was July 27, 2016 (the "**Commencement Date**"), and the initial term was for five years. A copy of the Lease is attached hereto as Appendix "Q".
63. Karras is the sole director and the controlling mind of bE SixFifty. A copy of the corporate profile in respect of bE SixFifty is attached hereto as Appendix "R".
64. The Lease provided for monthly rent in the amount of \$16,076.12 (\$14,226.66 plus HST), beginning on the Commencement Date and payable on the first day of each and every month. There is no indication in the Debtor's records that any rent was paid prior to the Receiver's appointment on August 1, 2017. Accordingly, the Receiver requested documentation from bE SixFifty establishing that rent for the period from July 26, 2016

(the Commencement Date), to August 31, 2017, in the total amount of \$211,582.43 (the “**Overdue Rent**”) was in fact paid to the Debtor.

65. bE SixFifty responded to the Receiver’s request by providing a schedule purporting to show the set-off of all Overdue Rent and representing to the Receiver that the parties agreed to a full abatement for 2016, during which time the hotel was not operational.
66. The Receiver previously reported to this Court in respect of the outstanding pre-receivership rent and the deficiency of the information provided to the Receiver in this regard. A copy of the Second Supplemental Report to the Fifth Report, dated October 24, 2017, which details the Receiver’s efforts to collect the Overdue Rent, is attached hereto as Appendix “S” (without appendices).
67. To date, despite repeated requests by the Receiver, bE SixFifty has failed to provide credible documentation to the Receiver evidencing the payment or setoff of any rent prior to the date of the Receivership Order. Accordingly, the Receiver is not satisfied that the Overdue Rent was abated or otherwise properly set off and, in the Receiver’s view, all Overdue Rent remains a receivable owing to the receivership estate.
68. bE SixFifty paid monthly rent to the Receiver for September, October and November, 2017, but failed to pay rent due and payable on December 1, 2017. By letter, dated December 7, 2017, the Receiver demanded payment of December’s outstanding rent. The December rent was not paid and, by letter dated December 15, 2017, the Receiver terminated the Lease in accordance with Article 14.01 thereof, effective as of December 18, 2017. Copies of the letters dated, December 7, 2017, and December 15, 2017, are attached hereto as Appendix “T”.
69. As of the date of this Fifteenth Report, the Overdue Rent of \$211,582.43 plus December’s Rent of \$8,815.94, totaling \$220,398.37, remains due and owing by bE SixFifty to the Debtor.
70. The Receiver requests that this Honourable Court direct bE SixFifty to deliver to the Receiver, (a) verifiable evidence of set off of the Overdue Rent, including copies of invoices and proof of payment by bE SixFifty, plus payment of December’s Rent, or, (b)

in the alternative, payment of all outstanding rent totaling \$220,398.37 (the Overdue Rent plus December's Rent), for distribution amongst the Debtor's creditors in accordance with their respective priorities.

I. CONTEMPT

71. By Notice of Motion, dated November 20, 2018, the Receiver sought a contempt order against each of Karras, 756 Ontario and 229 Ontario for their failure to comply with the September 20 Order. As outlined above, the information provided by Karras in respect of the Pre-Receivership Intact Payments is materially deficient and no monies have been disgorged. The Receiver reserves its right to proceed with its request for a contempt hearing. However, if the relief sought by the Receiver in its Notice of Motion, dated as of today's date, is granted, the Receiver may not pursue the contempt proceeding.

J. FEES AND R&D


72. The Receiver's R&D, dated March 25, 2019, is attached hereto as Appendix "U".
73. The total fees of the Receiver during the period from January 1, 2019, to March 24, 2019, amount to \$110,937.50, together with disbursements of \$1,260.00 and HST in the amount of \$14,421.88, totalling \$126,619.38. The fees and disbursements of the Receiver are more particularly described in the Affidavit of John Hendriks, sworn March 27, 2018, and filed in support of the Receiver's motion.
74. The legal fees incurred by the Receiver during the period from January 1, 2019, to February 28, 2019, for services provided by the Receiver's legal counsel, Dentons Canada LLP ("**Dentons**"), amount to \$82,975.00, together with expenses and disbursements of \$1,298.61 and HST in the amount of \$10,955.57, totalling \$95,229.18. The fees and disbursements of Dentons are more particularly described in the Affidavit of John Salmas, sworn March 28, 2019, and filed in support of the Receiver's motion.
75. The Receiver respectfully submits that the Receiver's fees and disbursements and Dentons' fees and disbursements are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Receivership Order.

K. RECOMMENDATIONS

76. The Receiver respectfully requests that this Honourable Court make an order granting the relief sought by the Receiver in its Notice of Motion, dated March 28, 2019.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED
THIS 28th DAY OF MARCH, 2019.**

**A. Farber & Partners Inc. in its capacity
as Court-appointed Receiver of 2220277 Ontario Inc.
and not in its personal or corporate capacity**

Per: 

Name: John Hendriks, CPA, CA, CIRP, LIT
Title: Managing Director

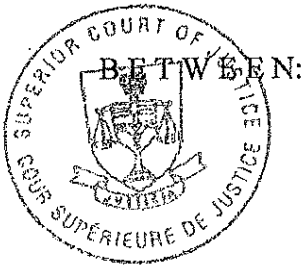
APPENDIX "A"

TO THE FIFTEENTH REPORT OF
THE RECEIVER

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

THE HONOURABLE)
JUSTICE *Mesbur*)

TUESDAY, THE 1st
DAY OF AUGUST, 2017



ZAHERALI VISRAM

Applicant

- and -

2220277 ONTARIO INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing A. Farber & Partners Inc. as receiver (the "**Receiver**") without security, of all of the assets, undertakings and properties of the Respondent, 2220277 Ontario Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Zaherali Visram sworn May 15, 2017 and the Exhibits thereto, the Reply Affidavit of Zaherali Visram sworn June 7, 2017 and the Exhibits thereto, the Affidavit of Evan Karras sworn May 31, 2017 and the Exhibits thereto, and the Minutes of Settlement and Endorsement of Justice Conway dated July 14, 2017, and on hearing the submissions of counsel for the Applicant, and on reading the consent of A. Farber & Partners Inc. 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*, A. Farber & Partners Inc. 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**"), which includes, without limitation, the real property municipally known as 650 Bay Street and 55 Elm Street, Toronto, ON and legally described as follows:

PIN 21199-0067 (LT)

Property Description: PT LT 2 PL 60 TORONTO AS IN
CA720524; CITY OF TORONTO

Land Registry Office: #66

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;
- (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;

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. **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.

4. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the 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 4 or in paragraph 5 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. **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

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the 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

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

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

EMPLOYEES

13. **THIS COURT ORDERS** that all employees of the 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

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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

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

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

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

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

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

23. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates

evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

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

25. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the 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.

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

GENERAL

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.

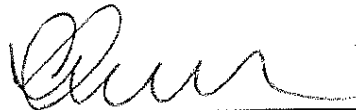
29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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 Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by 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.



C. Irwin
Registrar

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

AUG 01 2017

PER / PAR: 

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that A. Farber & Partners Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties 2220277 Ontario Inc. (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 1st day of August, 2017 (the "**Order**") made in an application having Court File No. CV-17-11811-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the ____ day of _____, 20__.

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

Per: _____

Name:

Title:

ZAHERALI VISRAM
Applicant

-and-

2220277 ONTARIO INC.
Respondent
Court File No. CV-17-11811-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

ORDER
(appointing Receiver)

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

Harvey Chaiton (LSUC No. 21592F)
Tel: (416) 218-1129
Fax: (416) 218-1849
E-mail: harvey@chaitons.com

Sam Rappos (LSUC No. 51399S)
Tel: (416) 218-1137
Fax: (416) 218-1837
E-mail: samr@chaitons.com

Lawyers for the Applicant

APPENDIX “B”
TO THE FIFTEENTH REPORT OF
THE RECEIVER



Ontario

ServiceOntario

LAND REGISTRY OFFICE #66

21199-0067 (LT)

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER
PAGE 1 OF 6
PREPARED FOR ALCOURNIER
ON 2019/01/02 AT 14:41:44

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 2 PL 60 TORONTO AS IN CA720524; CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE

LT CONVERSION QUALIFIED

OWNERS' NAMES

2220277 ONTARIO INC.

RECENTLY:

FIRST CONVERSION FROM BOOK

CAPACITY SHARE

FORM

FIN CREATION DATE:

2003/08/25

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2003/08/22 **					
**SUBJECT,	ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO					
**	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**	AND ESCHEATS OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**DATE OF	CONVERSION TO LAND TITLES: 2003/08/25 **					
63BA1267	1978/05/31	PLAN BOUNDARIES ACT				C
REMARKS: CT297001						
CA65043	1989/12/08	AGREEMENT			CITY OF TORONTO	
CA720524	2001/04/19	TRANSFER			1469361 ONTARIO INC.	
CA720525	2001/04/19	CHARGE	*** COMPLETELY DELETED ***		HSBC BANK CANADA	
CA720526	2001/04/19	ASSIGNMENT GENERAL	*** COMPLETELY DELETED ***		LOCCISANO, RINA	
REMARKS: RENTS, CA720525						
AT402295	2004/02/04	CHARGE	*** COMPLETELY DELETED ***			
REMARKS: 1469361 ONTARIO INC.						
AT1215919	2006/08/01	DISCH OF CHARGE	*** COMPLETELY DELETED ***			

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 6
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21199-0067 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT1217795	2006/08/02	CHARGE		LOCCISANO, RINA *** COMPLETELY DELETED *** 1469361 ONTARIO INC.	B & M HANDELMAN INVESTMENTS LIMITED JRS CAPITAL MANAGEMENT CORP. TEPPERMAN, MARVIN HARZAHAV HOLDINGS LIMITED M. HIMEL HOLDINGS INC. UNION FELT PRODUCTS INC. BRENNKIDS INC. STEELE VALLEY DEVELOPMENTS LIMITED 1530468 ONTARIO LTD. GOLDMAN, JENNIFER STANDING DEVELOPMENTS INC. LEDMAR INVESTMENTS LTD. SHARJOD HOLDINGS INC. FLORDALE HOLDINGS LIMITED RABARDO CORPORATION	
AT1217796	2006/08/02	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1469361 ONTARIO INC.	B & M HANDELMAN INVESTMENTS LIMITED JRS CAPITAL MANAGEMENT CORP. TEPPERMAN, MARVIN HARZAHAV HOLDINGS LIMITED M. HIMEL HOLDINGS INC. UNION FELT PRODUCTS INC. BRENNKIDS INC. STEELE VALLEY DEVELOPMENTS INC. 1530468 ONTARIO LTD. GOLDMAN, JENNIFER STANDING DEVELOPMENTS INC. LEDMAR INVESTMENTS LTD. SHARJOD HOLDINGS INC. FLORDALE HOLDINGS LIMITED RABARDO CORPORATION	
AT1235576	2006/08/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		
AT1354466	2007/01/15	CHARGE		*** COMPLETELY DELETED ***		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 3 OF 6

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21199-0067 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT1476798	2007/06/18	CHARGE		1469361 ONTARIO INC.	CAPMOR FINANCIAL SERVICES CORPORATION	
AT1476799	2007/06/18	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1469361 ONTARIO INC.	BENELLE INC.	
AT1476829	2007/06/18	POSTPONEMENT		*** COMPLETELY DELETED *** 1469361 ONTARIO INC.	BENELLE INC.	
AT2041229	2009/04/02	CHARGE		*** COMPLETELY DELETED *** CAPMOR FINANCIAL SERVICES CORPORATION	BENELLE INC.	
AT2228544	2009/11/13	TRANS POWER SALE	\$2,425,000	*** COMPLETELY DELETED *** 1469361 ONTARIO INC. B & M HANDELMAN INVESTMENTS LIMITED JRS CAPITAL MANAGEMENT CORP. TEPERMAN, MARVIN HARZAHAV HOLDINGS LIMITED M. HIMEL HOLDINGS INC. UNION FELT PRODUCTS INC. BRENKIDS INC. STEELE VALLEY DEVELOPMENTS LIMITED 1530468 ONTARIO LTD. GOLDMAN, JENNIFER STANDING DEVELOPMENTS INC. LEDMAR INVESTMENTS LTD. SHARJOD HOLDINGS INC. FIORDALE HOLDINGS LIMITED RABARDO CORPORATION	OKVILLE FIRE PROTECTION LTD. 2220277 ONTARIO INC.	C
AT2228545	2009/11/13	CHARGE	\$2,100,000	2220277 ONTARIO INC.	B & M HANDELMAN INVESTMENTS LIMITED JRS CAPITAL MANAGEMENT CORP. TEPERMAN, MARVIN HARZAHAV HOLDINGS LIMITED M. HIMEL HOLDINGS INC. UNION FELT PRODUCTS INC. BRENKIDS INC. STEELE VALLEY DEVELOPMENTS LIMITED 1530468 ONTARIO LTD. GOLDMAN, JENNIFER	C

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

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ON 2019/01/02 AT 14:41:44

21199-0067 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT2915677	2012/01/10	APL (GENERAL) REMARKS: CERTIFICATE OF PENDING LITIGATION		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	STANDING DEVELOPMENTS INC. LEDKAR INVESTMENTS LTD. SHARJOD HOLDINGS INC. FLORDALE HOLDINGS LIMITED RABARDO CORPORATION	
AT2960459	2012/03/06	CHARGE	\$1,200,000	2220277 ONTARIO INC.	VISRAM, ZAHERALI	C
AT2962763	2012/03/09	CHARGE	\$635,000	2220277 ONTARIO INC.	932005 ONTARIO INC.	C
AT2972257	2012/03/22	APL AMEND ORDER REMARKS: DISCHARGE AT2915677.		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	YEHUDAIF, NAVA	
AT2986827	2012/04/11	POSTPONEMENT REMARKS: AT2962763 POSTPONED TO AT2960459		932005 ONTARIO INC.	VISRAM, ZAHERALI	C
AT3095262	2012/08/07	NOTICE REMARKS: AT2960459	\$2	2220277 ONTARIO INC.	VISRAM, ZAHERALI	C
AT3095296	2012/08/07	POSTPONEMENT REMARKS: AT2962763 TO AT2960459 & AT3095262		932005 ONTARIO INC.	VISRAM, ZAHERALI	C
AT3141028	2012/10/01	NOTICE REMARKS: AT2960459	\$2	2220277 ONTARIO INC.	VISRAM, ZAHERALI	C
AT3141050	2012/10/01	POSTPONEMENT REMARKS: AT2962763 TO AT2960459		932005 ONTARIO INC.	VISRAM, ZAHERALI	C
AT3195583	2012/12/12	CHARGE		*** COMPLETELY DELETED *** 2220277 ONTARIO INC.	HARBOUR FIRST MORTGAGE FUND GP INC.	C
AT3195584	2012/12/12	NO ASSIGN RENT GEN REMARKS: RENT-AT3195583		*** COMPLETELY DELETED *** 2220277 ONTARIO INC.	HARBOUR FIRST MORTGAGE FUND GP INC.	C
AT3216818	2013/01/16	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** J S L CONTRACT HARDWARE INC.	HARBOUR FIRST MORTGAGE FUND GP INC.	C

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21199-0067 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT3231939	2013/02/05	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** J S L CONTRACT HARDWARE INC.		
		REMARKS: AT3216818.				
AT3246596	2013/02/28	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** ALFA STAIRS AND RAILINGS INC.		
AT3275557	2013/04/12	CERTIFICATE		*** COMPLETELY DELETED *** ALFA STAIRS AND RAILINGS INC. ON 2015/09/10 BY N.BORGES		
		REMARKS: RE:AT3246596; DELETED PURSUANT TO AT3937953				
AT3292231	2013/05/03	CHARGE	\$100,000	2220277 ONTARIO INC.	GOLDCARD INC.	C
AT3413716	2013/09/24	CHARGE	\$2,500,000	2220277 ONTARIO INC.	CVC ARDELLINI INVESTMENTS INC.	C
AT3413748	2013/09/24	NO ASSGN RENT GEN		2220277 ONTARIO INC.	CVC ARDELLINI INVESTMENTS INC.	C
		REMARKS: AT3413716.				
AT3504029	2014/01/22	CHARGE		*** COMPLETELY DELETED *** 2220277 ONTARIO INC.	RUBINOFF HEALTH FACILITY INC.	
AT3567385	2014/04/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** RUBINOFF HEALTH FACILITY INC.		
		REMARKS: AT3504029.				
AT3894600	2015/05/28	TRANSFER OF CHARGE		B & M HANDELMAN INVESTMENTS LIMITED JRS CAPITAL MANAGEMENT CORP. TEPERMAN, MARVIN HARZAHAV HOLDINGS LIMITED M. HIMEL HOLDINGS INC. UNION FELT PRODUCTS INC. BRENKIDS INC. STEELE VALLEY DEVELOPMENTS LIMITED 1530468 ONTARIO LTD. GOLDMAN, JENNIFER STANDING DEVELOPMENTS INC. LEDMAR INVESTMENTS LTD. SHARJOD HOLDINGS INC. FLORDALE HOLDINGS LIMITED RABARDO CORPORATION	VISRAM, ZAHERALI	C
		REMARKS: AT22228545.				
AT3894601	2015/05/28	NOTICE	\$2,220,277	ONTARIO INC.	VISRAM, ZAHERALI	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 6 OF 6
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ON 2019/01/02 AT 14:41:44

21199-0067 (LIF)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT3934261	2015/07/02	CHARGE		*** COMPLETELY DELETED *** 2220277 ONTARIO INC.	ACCOMPLISH CAPITAL INC.	
AT3937953	2015/07/07	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** ALPA STAIRS AND RAILINGS INC.		
AT4005932	2015/09/10	CHARGE	\$525,000	2220277 ONTARIO INC.	ACCOMPLISH CAPITAL INC.	C
AT4005933	2015/09/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** ACCOMPLISH CAPITAL INC.		
AT4065515	2015/11/13	CHARGE	\$600,000	2220277 ONTARIO INC.	9480536 CANADA INC.	C
AT4297814	2016/08/02	CHARGE	\$5,500,000	2220277 ONTARIO INC.	AM-STAT CORPORATION	C
AT4297815	2016/08/02	NO ASSGN RENT GEN		2220277 ONTARIO INC.	AM-STAT CORPORATION	C
AT4522643	2017/03/29	NOTICE		9480536 CANADA INC.	2220277 ONTARIO INC.	C
AT4645669	2017/08/02	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	A. FARBBER & PARTNERS INC.	C
AT4700161	2017/10/05	TRANSFER OF CHARGE		AM-STAT CORPORATION	LALU CANADA INC.	C
AT4704662	2017/10/13	NO ASSGN RENT GEN		AM-STAT CORPORATION	LALU CANADA INC.	C
AT4713924	2017/10/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** HARBOUR FIRST MORTGAGE FUND GP INC.		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

APPENDIX “C”
TO THE FIFTEENTH REPORT OF
THE RECEIVER

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 077
RUN DATE : 2019/03/18
ID : 20190318102125.63

REPORT : PSSR060
PAGE : 1
(12596)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

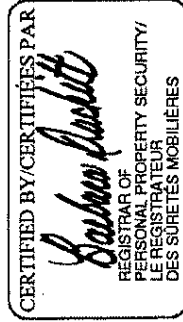
SEARCH CONDUCTED ON : 2220277 ONTARIO INC.

FILE CURRENCY : 17MAR 2019

ENQUIRY NUMBER 20190318102125.63 CONTAINS 5 PAGE(S), 2 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

DENTONS CANADA LLP - ANNETTE FOURNIER
400-77 KING STREET WEST
TORONTO ON M5K 0A1



(ref# 11/2017)

CONTINUED... 2



PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PPSR060
 PAGE : 3
 (12598)

RUN NUMBER : 077
 RUN DATE : 2019/03/18
 ID : 20190318102125.63

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : 2220277 ONTARIO INC.
 FILE CURRENCY : 17MAR 2019

FORM 1-C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 736702407

01 CAUTION PASS TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 002 2 20180223 1949 6083 0292

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
 03 NAME BUSINESS NAME 2220277 ONTARIO INC. TORONTO ON M5G 1M8
 04 ADDRESS 55 ELM STREET

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
 06 NAME BUSINESS NAME EVAN TORONTO ON M4W 1M3
 07 ADDRESS 128 COLLIER ST

08 SECURED PARTY / MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 LIEN CLAIMANT OTHER INCHRD MATURITY OR MATURITY DATE
 09 ADDRESS

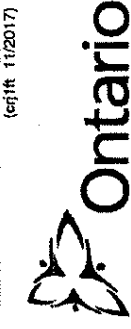
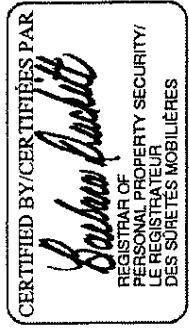
10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE ACCOUNTS OTHER DATE OF NO FIXED
 GOODS INVENTORY EQUIPMENT MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL VALUE
 12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION

16 REGISTERING AGENT ADDRESS

17 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED...



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 077
RUN DATE : 2019/03/18
ID : 20190318102125.63

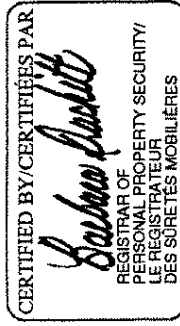
REPORT : PSSR060
PAGE : 5
(12600)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2220277 ONTARIO INC.
FILE CURRENCY : 17MAR 2019

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
736702407	20180223	1949	6083 0292
706472055	20150527	1229	1590 6379

2 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(8573)

RUN NUMBER : 123
RUN DATE : 2017/05/03
ID : 20170503125352.54

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

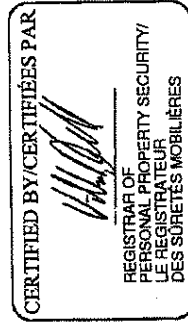
SEARCH CONDUCTED ON : 2220277 ONTARIO INC.

FILE CURRENCY : 02MAY 2017

ENQUIRY NUMBER 20170503125352.54 CONTAINS 13 PAGE(S), 7 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

CHATTONS LLP (ADP) - ANFOINETTE DE PINTO
5000 YONGE STREET, 10TH FLOOR,
TORONTO ON M2N 7E9



CONTINUED... 2



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 123
RUN DATE : 2017/05/03
ID : 20170503125352.54

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2220277 ONTARIO INC.
FILE CURRENCY : 02MAY 2017

ROYAL BANK FINANCING STATEMENT / CLAIM FOR FURNISHING

00
FILE NUMBER
719585703

01
CAPTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION UNDER FILED
FILING NO. OF PAGES SCHEDULES 20160815 0935 1590 4821

02 DEBTOR NAME FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO. 002526918
03 BUSINESS NAME 61 ELM HOLDCO INC. TORONTO
04 ADDRESS 401 BAY STREET, SUITE 2410 TORONTO

05 DEBTOR NAME FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO. 002220277
06 BUSINESS NAME 2220277 ONTARIO INC. TORONTO
07 ADDRESS 650 BAY STREET

08 SECURED PARTY / LENDER NAME ADDRESS
09 ADDRESS

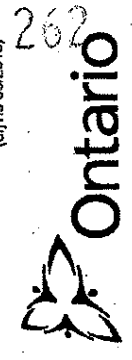
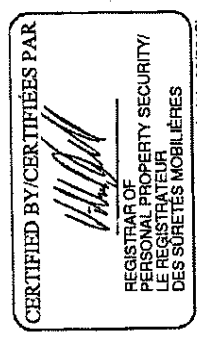
10 COLLATERAL DESCRIPTION MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURELY OR MATURITY DATE

11 MOTOR VEHICLE MAKE MODEL YEAR MAKE
12 ADDRESS

13 GENERAL COLLATERAL DESCRIPTION
14 ADDRESS

15 REGISTERING AGENT ADDRESS
16 ADDRESS
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***
CONTINUED...



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 123
RUN DATE : 2017/05/03
ID : 20170503125352.54

BUSINESS DEBTOR
SEARCH CONDUCTED ON 2220277 ONTARIO INC.
FILE CURRENTLY 02MAY 2017

FOR THE CANCELLING STATEMENT / CLAIM FOR UEN

00 FILE NUMBER 719585703

01 CANTON PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
003 3 20160815 0935 1590 4821

02 BOARD OF BIRTH INITIAL SURNAME
03 BUSINESS NAME 650 BAY LIMITED PARTNERSHIP TORONTO
04 ADDRESS 650 BAY STREET
FIRST GIVEN NAME INITIAL SURNAME
05 DATE OF BIRTH 650 BAY GP INC. TORONTO
06 BUSINESS NAME 650 BAY STREET
07 ADDRESS

08 SECURED PARTY /
09 WHEN ENLIGHTENED ADDRESS

10 GOVERNMENT REGISTRATION NO. FIXED
CONSULTED MOTOR VEHICLE AMOUNT DATE OF
GOODS INTEREST EQUIPMENT ACCOUNTS OTHER INCLUDED VARIETY OR SECURITY DATE

11 MOTOR VEHICLE MAKE MODEL VALUE

12 GENERAL
13 CONFIDENTIAL
14 DISCLOSURE

15 REGISTERING
16 AGENT ADDRESS

17

ONTARIO CORPORATION NO. 002526919
ON MSG 1MB



*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***
CONTINUED...

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 123
RUN DATE : 2017/05/03
ID : 20170503125352.54

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON 220277 ONTARIO INC.
FILE CURRENCY 02MAY 2017

FORM IC FINANCING STATEMENT / CLAIM FOR LEASE

FILE NUMBER
713573118

00 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILE NO. OF PAGES NO. UNDER NUMBER UNDER METHOD
FILE NO. 01 001 20160126 1004 1462 7186 P PPSA 3

01 DEBTOR NAME 220277 ONTARIO INC. TORONTO
ADDRESS 650 BAY STREET
INITIAL SURNAME
ONTARIO CORPORATION NO. R5G1M8

02 DEBTOR NAME BE SIXFLY HOTEL (TORONTO) TORONTO
ADDRESS 650 BAY STREET
INITIAL SURNAME
ONTARIO CORPORATION NO. R5G1M8

03 DEBTOR NAME THINKING CAPITAL
ADDRESS 4200 BOUL DORCHESTER, SUITE #3 MONTREAL QC H3Z1V4

04 DEBTOR NAME
ADDRESS
MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
MAJORITY OR MORTGAGE DATE

05 DEBTOR NAME
ADDRESS
MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
MAJORITY OR MORTGAGE DATE

06 DEBTOR NAME
ADDRESS
MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
MAJORITY OR MORTGAGE DATE

07 DEBTOR NAME
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MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
MAJORITY OR MORTGAGE DATE

08 DEBTOR NAME
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MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
MAJORITY OR MORTGAGE DATE

09 DEBTOR NAME
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MAJORITY OR MORTGAGE DATE

10 DEBTOR NAME
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MAJORITY OR MORTGAGE DATE

11 DEBTOR NAME
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MAJORITY OR MORTGAGE DATE

12 DEBTOR NAME
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MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
MAJORITY OR MORTGAGE DATE

13 DEBTOR NAME
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MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
MAJORITY OR MORTGAGE DATE

14 DEBTOR NAME
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MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
MAJORITY OR MORTGAGE DATE

15 DEBTOR NAME
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MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
MAJORITY OR MORTGAGE DATE

16 DEBTOR NAME
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MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
MAJORITY OR MORTGAGE DATE

17 DEBTOR NAME
ADDRESS
MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
MAJORITY OR MORTGAGE DATE

CERTIFIED BY/CERTIFIES PAR
[Signature]
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SURETES MOBILIERES
(effits 09/2013)

264



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 123
RUN DATE : 2017/05/03
ID : 20170503125352.54

NUMBER OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2220277 ONTARIO INC.
FILE CURRENCY : 02MAY 2017

FORM TO FINANCING STATEMENT / CLAIM FOR LITEN

00 FILE NUMBER
702885978

01 REGISTRY PAGE NO. OF PAGES MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
20150109 1642 1532 2031 P PPSA 4

02 DEBTOR NAME FIRST GIVEN NAME BUSINESS ADDRESS CITY PROVINCE POSTAL CODE
2220277 ONTARIO INC 650 BAY STREET TORONTO ON M5G 1M8

03 BUSINESS NAME BUSINESS ADDRESS CITY PROVINCE POSTAL CODE
2220277 ONTARIO INC 650 BAY STREET TORONTO ON M5G 1M8

04 DEBTOR NAME BUSINESS NAME BUSINESS ADDRESS CITY PROVINCE POSTAL CODE
HOLLAND LEASING (1995) LTD. 8525 DECARIE BLVD MONTREAL QC H4P 2J2

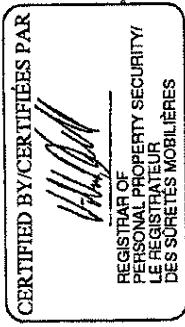
05 SECURED PARTY / LENDER NAME BUSINESS NAME BUSINESS ADDRESS CITY PROVINCE POSTAL CODE
HOLLAND LEASING (1995) LTD. 8525 DECARIE BLVD MONTREAL QC H4P 2J2

06 MOTOR VEHICLE YEAR MAKE MODEL VIN
2015 MERCEDES 2015 MERCEDES WEDUGS8R0FA142653

07 GENERAL COLLATERAL DEBENTURE HOLDER NAME BUSINESS ADDRESS CITY PROVINCE POSTAL CODE
CSRS 4126 NORLAND AVE BURNABY BC V5G 3S8

08 REGISTERING AGENT BUSINESS ADDRESS CITY PROVINCE POSTAL CODE
4126 NORLAND AVE BURNABY BC V5G 3S8

09 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***
CONTINUED... 8



REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SURETÉS MOBILIÈRES

(e) (1) s. 08(2013)



PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 8
 (8580)

RUN NUMBER : 123
 RUN DATE : 2017/05/03
 ID : 201170503125352.54

BUSINESS DEBTOR
 2220277 ONTARIO INC.
 02MAY 2017

FINANCING STATEMENT OF A PERSON

00 THE NUMBER
 696256452

01 CAUTION PAGE NO. OF PAGES 001
 SCHEDULE 20140520 1053 1873 0112 P PPSA 5

02 DEBTOR NAME
 2220277 ONTARIO INC. TORONTO
 03 BUSINESS NAME
 1210 YONGE STREET TORONTO
 04 ADDRESS
 1210 YONGE STREET TORONTO

05 DEBTOR NAME
 26 MAY 1970
 06 BUSINESS NAME
 1210 YONGE STREET TORONTO
 07 ADDRESS
 GOLD CARD LEASING O/B GOLDCARD INC.

08 DEBTOR NAME
 1120 FINCH AVENUE WEST, STE 103 NORTH YORK
 09 ADDRESS
 1120 FINCH AVENUE WEST, STE 103 NORTH YORK

10 COMPANY CLASSIFICATION
 MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 INCLUDED NATURE OR SECURITY DATE

11 MOTOR MAKE
 2014 MERCEDES BENZ
 12 MOTOR MODEL
 ME 350 BT

13 GENERAL
 14 COLLABORATION
 15 ORGANIZATION

16 REGISTERING
 17 AGENT
 GOLD CARD LEASING O/B GOLDCARD INC.
 1120 FINCH AVENUE WEST, STE 103 NORTH YORK ONT M3J 3H7

CERTIFIED BY/CERTIFIÉES PAR
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY
 LE REGISTREUR
 DES SÛRETES MOBILIÈRES
 (c) (115 082913)



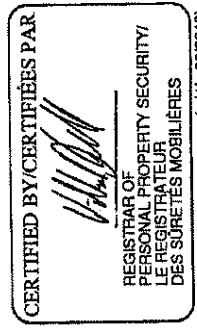
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PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 123
RUN DATE : 2017/05/03
ID : 20170503125352.54

BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2220277 ONTARIO INC.
FILES CORRECTION : 02MAY 2017

LINE NO.	FILE NUMBER	REGISTRATION NUMBER	REGISTRATION DATE	REGISTRATION TYPE	REGISTRATION CLASSIFICATION	REGISTRATION PERIOD
00	694536674	20140319	1930 1873 9954	P	PPSA	5
01						
02	DEBTOR NAME	2220277	ONTARIO INC.		TORONTO	
03	DEBTOR ADDRESS	261	GERRARD ST EAST			
04	DEBTOR CONTACT	475	GEORGE STREET		COBOURG	
05	DEBTOR CONTACT	GOLD CARD LEASING O/B	GOLDCARD INC.		NORTH YORK	
06	DEBTOR CONTACT	1120	FINCH AVENUE WEST, STE 103			
07	SECURED PARTY / LENDER					
08	SECURED PARTY / LENDER					
09	SECURED PARTY / LENDER					
10	SECURED PARTY / LENDER					
11	MOTOR VEHICLE	2011	MERCEDES BENZ			
12	GENERAL COLLATERAL DESCRIPTION					
13	REGISTERING AGENT					
14	REGISTERING AGENT					
15	REGISTERING AGENT					
16	REGISTERING AGENT					
17	REGISTERING AGENT					



CONTINUED... 10

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

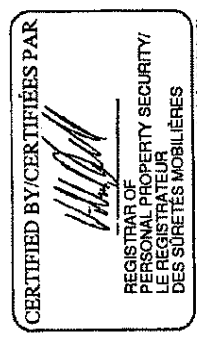
RUN NUMBER : 123
RUN DATE : 2017/05/03
ID : 20170503125352.54

BUSINESS DEBTOR
2220277 ONTARIO INC.
02MAY 2017

*** THIS REGISTRATION HAS BEEN DISCHARGED ***

00	FILE NUMBER	686673162
01	CAUTION PAGE NO. OF PAGES	002
02	DATE OF BIRTH	2220277 ONTARIO INC.
03	BUSINESS NAME	550 BAY STREET
04	ADDRESS	TORONTO
05	DATE OF BIRTH	28MAY1970
06	BUSINESS NAME	EVAN
07	ADDRESS	475 GEORGE STREET COBOURG
08	SECURED PARTY / LENDER	GOLD CARD LEASING O/B GOLDCARD INC.
09	ADDRESS	1120 FINCH AVENUE WEST, STE 103 NORTH YORK
10	GENERAL DESCRIPTION	MOTOR VEHICLE
11	YEAR	2011
12	MAKE	MINI
13	GENERAL DESCRIPTION	HOTEL ROOM FURNITURE AND DELL COMPUTER
14	GENERAL DESCRIPTION	WORK STATIONS INCLUDES ALL ACCESSORIES AS PER
15	GENERAL DESCRIPTION	SCHEDULE A & ROBIN DEGROOT INVOICE DATED APR. 30 2013
16	REGISTERING AGENCY	GOLD CARD LEASING O/B GOLDCARD INC.
17	ADDRESS	1120 FINCH AVENUE WEST, STE 103 NORTH YORK

ONTARIO CORPORATION NO. M5G 1M8
ONTARIO CORPORATION NO. K9R 3M8



CONTINUED... 11

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

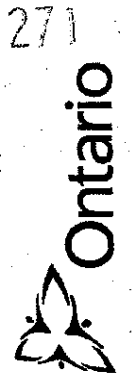
RUN NUMBER : 123
RUN DATE : 2017/05/03
ID : 20170503125352.54

BUSINESS DEBTOR
2220277 ONTARIO INC.
02MAY 2017

LINE NO.	DESCRIPTION	REGISTRATION NO.	REGISTRATION DATE	REGISTRATION TYPE	REGISTRATION STATUS	REGISTRATION CLASSIFICATION	REGISTRATION NUMBER	REGISTRATION UNDER
01	REGISTRATION PAGE NO. OF PAGES	20170421	1932	1873	2498			
02	RECORD REFERENCED	686673162						
03	REFERENCE DEBTOR/TRANSFERROR	2220277	ONTARIO INC.					
04	OTHER CHANGE REASON/DESCRIPTION							
05	DEBTOR/ TRANSFEREE							
06	04/07							
07	ASSIGNOR							
08	09							
09	COLLATERAL CLASSIFICATION							
10	YEAR MAKE							
11	12							
12	13							
13	14							
14	15							
15	16							
16	17							

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CERTIFIED BY/CERTIFIÉES PAR
[Signature]
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SOCIÉTÉS MOBILIÈRES
(c)2s 08/2013



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

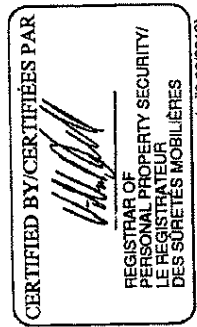
RUN NUMBER : 123
RUN DATE : 2017/05/03
ID : 20170503125352.54

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2220277 ONTARIO INC.
FILE CURRENCY : 02MAY 2017

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
719385703	20160815 0935 1590 4821		
713573118	20160126 1004 1462 7186		
706472055	20150527 1229 1590 6379		
702885978	20150109 1642 1532 2031		
696256452	20140520 1053 1873 0112		
694536624	20140319 1930 1873 9954		
686673162	20130506 1455 1873 9162		
	20170421 1932 1873 2498		

8 REGISTRATIONS(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



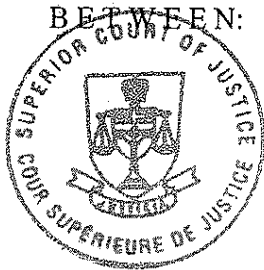
272



APPENDIX “D”
TO THE FIFTEENTH REPORT OF
THE RECEIVER

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

THE HONOURABLE) THURSDAY, THE 22nd
JUSTICE HAINEY) DAY OF FEBRUARY, 2018



BETWEEN:

ZAHERALI VISRAM

Applicant

– and –

2220277 ONTARIO INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C-43, AS AMENDED

**ORDER
(Interim Distribution)**

THIS MOTION, made by A. Farber & Partners Inc., in its capacity as the court appointed receiver (the “**Receiver**”) of the assets, undertakings and properties of 2220277 Ontario Inc., for an order authorizing and directing the Receiver to make an interim distribution to Zaherali Visram (“**Visram**”), was heard on February 21, 2018 at 330 University Avenue, Toronto, Ontario, judgment having been reserved to this date.

ON READING the Sixth Report of the Receiver, dated January 17, 2018, the Responding Motion Record of the Applicant, dated January 25, 2018, the Supplementary Responding Motion Record of the Applicant, dated February 21, 2018, the Responding Motion

Record of CVC Ardellini Investments Inc. ("CVC Ardellini"), dated February 7, 2018, the Respondent's Compendium of Documents for Motion Scheduled for February 21, 2018, and the Affidavit of Evan Karras ("Karras"), sworn February 20, 2018, and on hearing the submissions of counsel for the Receiver, Visram, Karras, CVC Ardellini and Accomplish Capital, no other party appearing:

INTERIM DISTRIBUTION

1. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to distribute \$8,000,000 to Visram out of the proceeds from the closing of the transaction contemplated by the Agreement of Purchase and Sale, dated October 3, 2017, entered into by the Receiver and 650 Bay Holdco Inc. The within interim distribution is without prejudice to the rights of all of the other parties and is subject to a future accounting by Visram with respect to the two mortgages.

COSTS

2. **THIS COURT ORDERS** that Visram is awarded ^{✓ full indemnity ✓ ce} costs of this Motion in the amount of \$20,000, inclusive of taxes and disbursements. Karras and CVC Ardellini shall each pay costs of \$10,000 to Visram within thirty (30) days of this Order.

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

MAR 08 2018

PER / PAR: *RW*


CM CHIBA, Registrar
Superior Court of Justice

330 UNIVERSITY AVE. 330 AVE. UNIVERSITY
7TH FLOOR 7E ÉTAGE
TORONTO, ONTARIO TORONTO, ONTARIO
M5G 1R7 M5G 1R7

ZAHERALI VISRAM
Applicant

- and -

Court File No: CV-17-11811-00CL

2220277 ONTARIO INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

ORDER
(Interim Distribution)

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Kenneth Kraft (LSUC # 31919P)
Tel: 416-863-4374
Fax: (416) 863-4592
kenneth.kraft@dentons.com

Sara-Ann Van Allen (LSUC # 56016C)
Tel: (416) 863-4402
sara.vanallen@dentons.com

*Lawyers for A. Farber & Partners Inc., Court Appointed
Receiver of 2220277 Ontario Inc.*

APPENDIX “E”

TO THE FIFTEENTH REPORT OF
THE RECEIVER

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

BETWEEN:

ZAHERALI VISRAM

Applicant

- and -

2220277 ONTARIO INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED

REPLY AFFIDAVIT OF ZAHERALI VISRAM
(sworn February 16, 2018)

I, **ZAHERALI VISRAM**, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Applicant in this proceeding, and, as such, I have knowledge of the matters contained in this affidavit. The facts set out below are based on my personal knowledge, are determined from the face of the documents attached hereto as exhibits, and are from information and advice provided to me by others. Where I have relied upon such information and advice, I have identified the source of the information and advice and verily believe it to be true.

2. This affidavit is sworn in response to the affidavit of Donato Ardellini of CVC Ardellini Investments Inc. ("CVC") sworn on February 7, 2018 (the "Ardellini Affidavit"). Capitalized

terms used and not otherwise defined in this affidavit have the meanings ascribed to such terms in my affidavit sworn January 24, 2018 (“my First Affidavit”).

3. The Receiver has brought a motion seeking a Court order authorizing it to distribute \$8.0 million to me on closing of the Court-approved sale transaction, and advice and direction as to whether it should distribute an additional \$2.4 million to me on closing. These amounts are derived from the Minutes of Settlement I entered into with the Debtor to settle this receivership proceeding, which the Debtor failed to comply with.

4. In my First Affidavit, I provided a full accounting of the amounts owed to me and secured by the Mortgages. CVC is opposing any distribution on the basis that it has concerns about the accounting I have provided, specifically with respect to the principal amount of the First Mortgage, the interest charged on the First Mortgage, and the forbearance, extension and other fees I charged and the Debtor agreed to pay.

5. It remains my position that I am entitled to payment of the full amount owed to me as detailed in my First Affidavit, plus accruing interest and costs. However, for the purposes of the Receiver’s motion to be heard on February 21, 2018, I am providing the following statements with respect to the Mortgages. In my view, the amounts detailed below and in the attached exhibits are the minimum amounts I am entitled to be paid on an interim basis under the Mortgages.

Second Mortgage

6. As of January 1, 2013, the principal amount owed to me under the Second Mortgage was \$3.0 million, and the Debtor was current in its interest payments. The interest rate was, and continues to be, 15% per annum. The term of the Second Mortgage expired on March 15, 2013.

As of the expiry date, the Debtor owed me \$3,125,000 for principal and interest, as it did not make the monthly interest payments of \$37,500 for the months of January, February and March 2013.

7. Attached hereto and marked as **Exhibit "A"** is an accounting of the amount owed to me under the Second Mortgage as of February 15, 2018, totalling \$6,127,587.00. This accounting:

- (a) provides for interest at 15% per annum on a compounded basis calculated monthly;
- (b) credits the Debtor with all amounts it paid to me during the time period, other than the aggregate amount of \$140,000 that the Debtor paid to me on account of fees;
and
- (c) does not include the aggregate amount of \$1,154,500 in unpaid extension fees that the Debtor agreed to pay me.

8. With respect to the payments I received from the Debtor on account of fees, the cheques delivered by the Debtor specifically noted that they were for payment of fees. As examples, I attach as **Exhibit "B"** copies of two cheques the Debtor gave to me for payment of fees, which I never cashed as the Debtor had informed me that its bank account had been frozen by Canada Revenue Agency.

First Mortgage

9. As detailed in my First Affidavit, I took an assignment of the First Mortgage effective May 27, 2015. At that time, the first mortgagees were owed \$2,283,464. In connection with the assignment, I paid the following protective disbursements, as previously detailed in paragraph 34 of my First Affidavit:

<u>Description</u>	<u>Receiving Party</u>	<u>Amount</u>
Property Taxes	City of Toronto	\$126,000.00
Property Insurance	KRG Insurance Brokers	22,770.60
Title Insurance	First American Title Insurance Company	1,679.40
Legal Fees	Phil Thompson Professional Corporation	9,990.97
Construction Lien	Drudi Alexiou Kuchar LLP	<u>37,489.07</u>
		\$197,930.04

10. Pursuant to section 8 of the D&D Standard Charge Terms that were incorporated as part of the First Mortgage, I was entitled to pay these amounts and include them as part of the principal amount secured by the First Mortgage.

11. As a result, for the purposes of calculating an interim distribution, the starting point of the principal amount owed to me and secured by the First Mortgage is \$2,481,394.04 (\$2,283,464 + \$197,930.04) as of May 27, 2015, plus interest and costs as detailed below.

12. The Debtor made monthly payments of \$20,041.66 from June 2015 up to and including January 2016. This amount was the monthly interest payment owed under a principal loan of \$2.6 million and interest at 9.25% per annum.

13. The Debtor defaulted under the First Mortgage in February 2016. Attached hereto and marked as **Exhibit "C"** is an accounting of the amount owed to me under the First Mortgage as of February 15, 2018, totalling \$2,753,218.19. This accounting:

- (a) provides for interest at 5% per annum on a compounded basis calculated monthly from February 15, 2016 to February 15, 2018, notwithstanding the increase of the interest rate to 9.25% that was agreed to by the Debtor; and

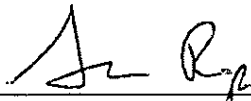
(b) does not include the aggregate amount of \$262,050 in unpaid extension fees that the Debtor agreed to pay me.

14. In addition to the amounts detailed in Exhibits "A" and "B", I have incurred \$134,174.70 in legal fees and disbursements (inclusive of taxes) up to January 31, 2018 in connection with this proceeding, and am owed \$66,740.50, inclusive of interest, as of February 28, 2018, on account of property taxes I paid on behalf of the Debtor.

15. As a result, in connection with the Receiver's motion to be heard on February 21, 2018, I believe that, at a minimum, I am entitled to receive from the Receiver an interim aggregate amount of \$9,081,721.19 (\$6,127,587.00 + \$2,753,218.99 + \$66,740.50 + \$134,174.70) on closing of the sale.

16. This affidavit is sworn in support of my distribution request that the Receiver distribute \$9,081,721.19 to me on closing of the sale transaction on an interim basis as detailed herein and for no other or improper purpose.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario on
February 16, 2018

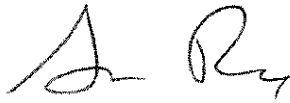


Commissioner for Taking Affidavits
(or as may be)



ZAHERALI VISRAM

This is Exhibit "A" referred to in the Affidavit of Zaherali Visram
sworn February 16, 2018

A handwritten signature in black ink, appearing to read "S Rappos". The signature is written in a cursive style with a large initial "S" and a stylized "R".

Commissioner for Taking Affidavits (or as may be)

SAM RAPPOS

SECOND MORTGAGE

Notes:

Interest rate of 15% per annum, compounded monthly after March 2013
 Extension and other Fees excluded

<u>Date</u>	<u>Debits</u>	<u>Credits</u>	
January 1, 2013 Principal			3,000,000.00
January 2013 Interest	37,500.00		3,037,500.00
February 2013 Interest	37,500.00		3,075,000.00
March 2013 Interest	37,500.00		3,112,500.00
Amount as of Maturity Date			<u>3,112,500.00</u>
April 2013 Interest	38,906.25		3,151,406.25
May 2013 Interest	39,392.58		3,190,798.83
June 2013 Interest	39,884.99		3,230,683.81
July 2013 Interest	40,383.55		3,271,067.36
August 2013 Interest	40,888.34		3,311,955.70
September 2013 Interest	41,399.45		3,353,355.15
October 2013 Interest	41,916.94		3,395,272.09
November 2013 Interest	42,440.90		3,437,712.99
December 2013 Interest	42,971.41		3,480,684.40
January 2014 Interest	46,508.55	20,000.00	3,507,192.95
February 2014 Interest	43,839.91	15,000.00	3,536,032.86
March 2014 Interest	44,200.41	25,000.00	3,555,233.27
April 2014 Interest	44,440.42		3,599,673.69
May 2014 Interest	44,995.92	5,000.00	3,639,669.61
June 2014 Interest	45,495.87	40,000.00	3,645,165.48
July 2014 to July 2015 Interest	638,866.10		4,284,031.58
August 2015 Interest	53,550.39	20,000.00	4,317,581.97
September 2015 Interest	53,969.77	20,000.00	4,351,551.74
October 2015 Interest	54,394.40	20,000.00	4,385,946.14
November 2015 Interest	54,824.33	20,000.00	4,420,770.47
December 2015 Interest	55,259.63	20,000.00	4,456,030.10
January 2016 Interest	55,700.38	20,000.00	4,491,730.48
February 2016 to February 2018 Interest	1,635,856.52		<u>6,127,587.00</u>
			6,127,587.00

This is Exhibit "B" referred to in the Affidavit of Zaherali Visram
sworn February 16, 2018

A handwritten signature in black ink, appearing to read 'S Rappos', positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

SAM RAPPOS

2220277 ONTARIO INC.
650 BAY ST
TORONTO, ON M5G 1M8

TD CANADA TRUST
472 EGLINTON WEST OF CASTLE KNOCK
TORONTO, ONTARIO M5N 1A6

002485

2016-11-15

Zaherali Visram

**25,000.00

\$

Twenty-Five Thousand and 00/100 *****

2220277 ONTARIO INC.

PER

SECURITY FEATURES INCLUDED - SEE REVERSE
CONTIENT DES CARACTERISTIQUES DE SECURITE - VOIR AL VERSO
51027

Went

Renewal Fee

⑈002485⑈ ⑆00312⑈004⑆ 7283⑈5216601⑈

2220277 ONTARIO INC.
650 BAY ST
TORONTO, ON M5G 1M8

TD CANADA TRUST
472 EGLINTON WEST OF CASTLE KNOCK
TORONTO, ONTARIO M5N 1A6

002495

2016-12-30

Zaherali Visram

**25,000.00

\$

Twenty-Five Thousand and 00/100 *****

2220277 ONTARIO INC.

PER

SECURITY FEATURES INCLUDED - SEE REVERSE
CONTIENT DES CARACTERISTIQUES DE SECURITE - VOIR AL VERSO
51027

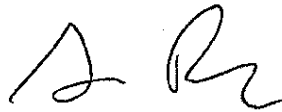
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DER

Went
of

Renewal Fee

⑈002495⑈ ⑆00312⑈004⑆ 7283⑈5216601⑈

This is Exhibit "C" referred to in the Affidavit of Zaherali Visram
sworn February 16, 2018

A handwritten signature in black ink, appearing to read 'S Rappos', written above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

SAM RAPPOS

FIRST MORTGAGE

Notes:

Interest rate of 5% per annum compounded monthly

Extension and other Fees excluded

Starting amount indebtedness owed to first mortgagee at time of transfer + protective disbursements

<u>Date</u>	<u>Debits</u>	<u>Credits</u>	
February 2016 Principal			2,481,394.04
February 2016 to February 2018	\$271,824.95		<u>2,753,218.99</u>
			2,753,218.99

ZAHERALI VISRAM
Applicant

-and-

2220277 ONTARIO INC.
Respondent
Court File No. CV-17-11811-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

REPLY AFFIDAVIT OF ZAHERALI VISRAM
(sworn February 16, 2018)

CHAITONS LLP

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

Harvey Chaiton (LSUC No. 21592F)

Tel: (416) 218-1129

Fax: (416) 218-1849

E-mail: harvey@chaitons.com

Sam Rappos (LSUC No. 51399S)

Tel: (416) 218-1137

Fax: (416) 218-1837

E-mail: samr@chaitons.com

Lawyers for the Applicant, Zaherali Visram

APPENDIX "F"
TO THE FIFTEENTH REPORT OF
THE RECEIVER

Request ID: 021277555
Transaction ID: 67121885
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/02/12
Time Report Produced: 13:45:18
Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
756597	756597 ONTARIO LIMITED	1988/01/26
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
259 GERRARD STREET EAST		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
TORONTO		Notice Date
ONTARIO		NOT APPLICABLE
CANADA M5A 2G1		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
261 GERRARD STREET EAST		NOT APPLICABLE
		Continuation Date
		NOT APPLICABLE
TORONTO		Transferred Out Date
ONTARIO		NOT APPLICABLE
CANADA M5A 2G1		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	in Ontario
	UNKNOWN UNKNOWN	NOT APPLICABLE
Activity Classification		Date Ceased
NOT AVAILABLE		in Ontario
		NOT APPLICABLE

Request ID: 021277555
Transaction ID: 67121885
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/02/12
Time Report Produced: 13:45:18
Page: 2

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

756597

756597 ONTARIO LIMITED

Corporate Name History

Effective Date

756597 ONTARIO LIMITED

1988/01/26

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

YES - SEARCH REQUIRED FOR DETAILS

Administrator:
Name (Individual / Corporation)

Address

EVAN
KARRAS

261 GERRARD STREET EAST

TORONTO
ONTARIO
CANADA M5A 2G1

Date Began

First Director

2011/08/31

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 021277555
Transaction ID: 67121885
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/02/12
Time Report Produced: 13:45:18
Page: 3

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
756597	756597 ONTARIO LIMITED

Administrator: Name (Individual / Corporation)	Address
EVAN KARRAS	261 GERRARD STREET EAST TORONTO ONTARIO CANADA M5A 2G1

Date Began	First Director	Resident Canadian
2011/08/31	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

Administrator: Name (Individual / Corporation)	Address
EVAN KARRAS	261 GERRARD STREET EAST TORONTO ONTARIO CANADA M5A 2G1

Date Began	First Director	Resident Canadian
2011/08/31	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

Request ID: 021277555
Transaction ID: 67121885
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/02/12
Time Report Produced: 13:45:18
Page: 4

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

756597

756597 ONTARIO LIMITED

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2011	1C	2011/10/01 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

Request ID: 020567969
Transaction ID: 65264544
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/04
Time Report Produced: 09:56:17
Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2296528	2296528 ONTARIO INC.	2011/08/24
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
100 KING STREET WEST 1 FIRST CANADIAN PLACE Suite # 6000 TORONTO ONTARIO CANADA M5X 1E2	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
100 KING STREET WEST 1 FIRST CANADIAN PLACE Suite # 6000 TORONTO ONTARIO CANADA M5X 1E2	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	
	Minimum	Maximum
	00001	00010
Activity Classification	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	NOT APPLICABLE	NOT APPLICABLE

Request ID: 020567969
Transaction ID: 65264544
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/04
Time Report Produced: 09:56:17
Page: 2

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2296528	2296528 ONTARIO INC.

Corporate Name History	Effective Date
2296528 ONTARIO INC.	2011/08/24

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
EVAN KARRAS	261 GERRARD STREET TORONTO ONTARIO CANADA M5A 2G1

Date Began	First Director	
2011/08/24	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 020567969
Transaction ID: 65264544
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/04
Time Report Produced: 09:56:17
Page: 3

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2296528	2296528 ONTARIO INC.

Administrator: Name (Individual / Corporation)	Address
EVAN KARRAS	261 GERRARD STREET TORONTO ONTARIO CANADA M5A 2G1

Date Began	First Director	Resident Canadian
2011/08/24	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

Administrator: Name (Individual / Corporation)	Address
EVAN KARRAS	261 GERRARD STREET TORONTO ONTARIO CANADA M5A 2G1

Date Began	First Director	Resident Canadian
2011/08/24	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

Request ID: 020567969
Transaction ID: 65264544
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/04
Time Report Produced: 09:56:17
Page: 4

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2296528	2296528 ONTARIO INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	INITIAL RETURN	1	2011/08/29 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

Request ID: 020614262
Transaction ID: 65385667
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/18
Time Report Produced: 10:15:43
Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
999130	999130 ONTARIO LIMITED	1992/08/27
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
259 GERRARD STREET EAST	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
TORONTO	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		Letter Date
CANADA M5A 2G1		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
261 GERRARD STREET EAST	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
TORONTO	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		EP Licence Eff.Date
CANADA M5A 2G1		NOT APPLICABLE
	EP Licence Term.Date	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	Date Commenced in Ontario
	Minimum Maximum	NOT APPLICABLE
	UNKNOWN UNKNOWN	NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

Request ID: 020614262
Transaction ID: 65385667
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/18
Time Report Produced: 10:15:43
Page: 2

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
999130	999130 ONTARIO LIMITED

Corporate Name History	Effective Date
999130 ONTARIO LIMITED	1992/08/27

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
EVAN KARRAS	261 GERRARD STREET EAST TORONTO ONTARIO CANADA M5A 2G1

Date Began	First Director	
2011/08/31	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 020614262
Transaction ID: 65385667
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/18
Time Report Produced: 10:15:43
Page: 3

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

999130

999130 ONTARIO LIMITED

Administrator:

Name (Individual / Corporation)

Address

EVAN
KARRAS

261 GERRARD STREET EAST

TORONTO
ONTARIO
CANADA M5A 2G1

Date Began

First Director

2011/08/31

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

Administrator:

Name (Individual / Corporation)

Address

EVAN
KARRAS

261 GERRARD STREET EAST

TORONTO
ONTARIO
CANADA M5A 2G1

Date Began

First Director

2011/08/31

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Request ID: 020614262
Transaction ID: 65385667
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/18
Time Report Produced: 10:15:43
Page: 4

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
999130	999130 ONTARIO LIMITED

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2011	1C	2011/09/17 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

Request ID: 022860197
Transaction ID: 71203948
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/03/21
Time Report Produced: 15:54:12
Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2292470	2292470 ONTARIO INC.	2011/07/18
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
ADEEL SAEED 194A CARLTON STREET	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address	Revival Date	Letter Date
ADEEL SAEED 194A CARLTON STREET	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Term.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors	
NOT AVAILABLE	Minimum Maximum	
	00002 00002	

Request ID: 022860197
Transaction ID: 71203948
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/03/21
Time Report Produced: 15:54:12
Page: 2

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2292470	2292470 ONTARIO INC.

Corporate Name History	Effective Date
2292470 ONTARIO INC.	2011/07/18

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
EVAN KARRAS	475 GEORGE STREET COBOURG ONTARIO CANADA K9A 3M9

Date Began	First Director	
2011/07/18	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 022860197
Transaction ID: 71203948
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/03/21
Time Report Produced: 15:54:12
Page: 3

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

2292470

Corporation Name

2292470 ONTARIO INC.

Administrator:
Name (Individual / Corporation)

ADEEL

SAEED

Address

270 MOUNTAINBERRY ROAD

BRAMPTON
ONTARIO
CANADA L6R 1H7

Date Began

2011/10/26

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 022860197
Transaction ID: 71203948
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/03/21
Time Report Produced: 15:54:12
Page: 4

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2292470

2292470 ONTARIO INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2011/10/26 (ELECTRONIC FILING)

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

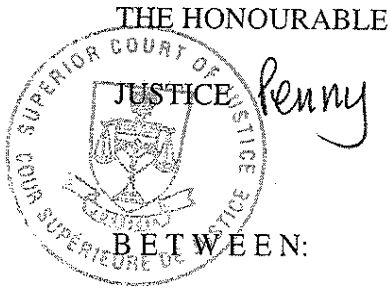
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

APPENDIX “G”

TO THE FIFTEENTH REPORT OF
THE RECEIVER

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)



THE HONOURABLE

)
)
)

THURSDAY, THE 20th

DAY OF SEPTEMBER, 2018

BETWEEN:

ZAHERALI VISRAM

Applicant

- and -

2220277 ONTARIO INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C-43, AS AMENDED

ORDER

THIS MOTION, made by A. Farber & Partners Inc., in its capacity as the court appointed receiver (the "Receiver") of the assets, undertakings and properties of 2220277 Ontario Inc. (the "Debtor"), appointed pursuant to the Order of the Honourable Justice Mesbur, dated August 1, 2017 (the "Receivership Order"), for an order approving the Receiver's fees and those of its counsel, increasing the Receiver's borrowing capacity, directing Intact Insurance Company ("Intact") to pay the Insurance Proceeds (defined below) to the Receiver, and granting certain other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Ninth Report of the Receiver, dated August 27, 2018 ("Ninth Report"), the affidavits of the Receiver and its counsel as to fees (the "Fee Affidavits"), and on

hearing the submissions of counsel for the Receiver, Zaherali Visram, the Debtor, and 650 Bay Limited Partnership, no other parties appearing:

SERVICE

1. **THIS COURT ORDERS** that the timing and method of service of the Notice of Motion and the Motion Materials be and is hereby abridged and validated and this Motion is properly returnable today.

REPORT AND ACTIVITIES

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

STATEMENT OF RECEIPTS AND DISBURSEMENTS

3. **THIS COURT ORDERS** that the Receiver's Statement of Receipts and Disbursements, dated August 18, 2018, attached as Appendix "B" to the Ninth Report, be and is hereby approved.

FEES AND DISBURSEMENTS

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, for the period from March 17, 2018, to August 18, 2018, and its counsel, for the period from March 5, 2018, to July 31, 2018, as set out in the Ninth Report and the Fee Affidavits, be and are hereby approved.

FUNDING OF THE RECEIVERSHIP

5. **THIS COURT ORDERS** that paragraph 20 of the Receivership Order be and is hereby amended such that the maximum principal amount that the Receiver is empowered to borrow by way of revolving credit or otherwise is increased from \$250,000 to \$700,000 (or such greater amount as this Court may by further Order authorize).

PRE-RECEIVERSHIP INSURANCE PROCEEDS

6. **THIS COURT ORDERS AND DIRECTS** Evan Karras ("**Karras**"), 756597 Ontario Limited ("**756 Ontario**") and 2296528 Ontario Inc. ("**229 Ontario**") to deliver to the Receiver a

full accounting of all insurance proceeds received in respect of the March 13, 2016 flood (the “**Flood**”) at 650 Bay Street and 55 Elm Street, Toronto, Ontario. The accounting is to be delivered within 30 days of the date hereof.

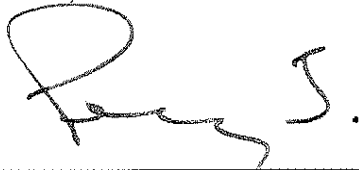
7. **THIS COURT ORDERS AND DIRECTS** Karras, 756 Ontario, 229 Ontario and any other party in receipt of the \$810,034 of insurance proceeds paid out by Intact in respect of the Debtor’s building and business interruption claims arising as a result of the Flood, or any portion thereof, to forthwith disgorge same and deliver such monies to the Receiver to be held in trust by the Receiver until further Order of this Honourable Court or written agreement of Karras, 756 Ontario, 229 Ontario and the Receiver.

INSURANCE PROCEEDS

8. **THIS COURT ORDERS AND DIRECTS** Intact to forthwith pay CAD \$453,189.00 (the “**Insurance Proceeds**”) to the Receiver, to be held in trust by the Receiver until further Order of this Honourable Court or written agreement of Karras, 756 Ontario, 229 Ontario and the Receiver.

9. **THIS COURT ORDERS** that, effective upon the filing with this Honourable Court of a certificate of the Receiver confirming the receipt of the Insurance Proceeds:

- (a) the action in the Ontario Superior Court of Justice, bearing Court File No. CV-17-570808 (the “**Action**”), commenced by Notice of Action, dated March 3, 2017, and Statement of Claim, dated March 30, 2017, attached hereto as Schedule “A”, shall be dismissed, with prejudice and without costs; and
- (b) Intact shall be released from and against any and all claims, actions, causes of action, demands for monies, losses, and damages arising from or relating to the issues raised in, or that could have been raised in, the Action.



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

SEP 20 2018

PER / PAR:

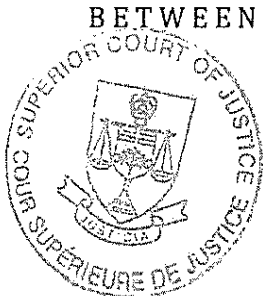


Schedule "A" – Notice of Action and Statement of Claim

ONTARIO
SUPERIOR COURT OF JUSTICE

Court File No.

Cv 17-570808



BETWEEN:

756597 ONTARIO LIMITED, 2296528 ONTARIO INC.
and 2220277 ONTARIO INC.

PLAINTIFFS

- and -

INTACT INSURANCE COMPANY

DEFENDANT

NOTICE OF ACTION

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the statement of claim served with this notice of action.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this notice of action is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

(Where the claim made is for money only, include the following:)

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$1500.00 for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and \$400 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date March 3, 2017

Issued by [Signature]

Local registrar

Address of
Court Office 393 University Avenue, 10th Floor,
Toronto, Ontario M5G 1E6

TO: Intact Insurance Company, 1 - 700 University Avenue, Toronto, Ontario M5G 1X7

CLAIM

1. The Plaintiffs claim as against the Defendant:
 - (a) Compensation and indemnity under insurance policy 501351778 for losses incurred as a result of flooding and the consequent business interruption and consequential damages arising therefrom which occurred on 13th of March 2016 in the amount of \$1,500,000.00;
 - (b) Interest in accordance with the Courts of Justice Act;
 - (c) Costs on a substantial indemnity basis;
 - (d) Punitive damages of \$50,000.00 for bad faith in the settlement of this claim;
 - (e) Such further and other relief as to this Honourable Court may seem just.

Date of Issue: *April 3, 2017*

Alfred Schorr
Barrister & Solicitor
227 Eagle Street East, Suite 200
Newmarket Ontario L3Y 1J8

Alfred Schorr 905-940-9252
Fax: 905-940-5583
Law Society No. 11693H
Lawyer for the Plaintiff

Action No. CV-17-570808

756597 Ontario Limited et al and Intact Insurance Company

Plaintiff

Defendant

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceedings commenced in
Toronto

NOTICE OF ACTION

ALFRED S. SCHORR,
Barrister and Solicitor,
227 Eagle Street East
Suite 200
Newmarket Ontario L3Y 1J8

(905) 940-9252
Telecopier 905-940-5583
Law Society No. 11693H
Lawyer for the Plaintiff

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

756597 ONTARIO LIMITED, 2296528 ONTARIO INC.
and 2220277 ONTARIO INC.

PLAINTIFFS

- and -

INTACT INSURANCE COMPANY

DEFENDANT

STATEMENT OF CLAIM

Action commenced by way of Notice of Action
Issued March 3 2017.

1. Plaintiffs claim as against the Defendant:
 - (a) Compensation and indemnity under insurance policy 501351778 for losses incurred as a result of flooding and the consequent business interruption and consequential damages arising therefrom which occurred on 13th of March 2016 in the amount of \$1,500,000.00;
 - (b) Interest in accordance with the Courts of Justice Act;
 - (c) Costs on a substantial indemnity basis;
 - (d) Punitive damages of \$50,000.00 for bad faith in the settlement of this claim;
 - (e) Such further and other relief as to this Honourable Court may seem just.

2. The Plaintiffs are corporations incorporated pursuant to the Laws of the Province of Ontario.

3. The Defendant is an insurance company licensed to issue casualty insurance in the Province of Ontario.
4. 2220277 Ontario Inc. is the registered owner of a building municipally known as 55 Elm Street, Toronto, Ontario but which also has a municipal address of 650 Bay Street, Toronto, Ontario. The addresses are interchangeable.
5. The Plaintiff 756597 Ontario Limited is a tenant of the Plaintiff 2220277 Ontario Inc. and operates two restaurants known as 650 Café Bistro and Sliced Gourmet.
6. The Plaintiff 2296528 Ontario Inc. is the parent company of 2220277 Ontario Inc. (which originally operated a hotel located at the subject premises) which hotel is now operated by Be SixFifty Hotel Inc., a wholly owned subsidiary of the Plaintiff 2296528 Ontario Inc.
7. The Plaintiffs and others applied for and the Defendant issued a policy of insurance number 501351778 providing, among other provisions, for indemnity for any losses sustained as a result of a number of perils including flooding. The aforesaid policy covered the period from November 25 2015 to November 25 2016.

8. On or about the 13th of March 2016 a water pipe burst at the subject premises resulting in substantial water damage to the ceilings and walls of the hotel and the two restaurants and considerable business interruption.

9. The Plaintiffs immediately reported the loss to the Defendant and the Defendant engaged the services of an adjuster to provide immediate assistance, to value the claim and to negotiate with the Plaintiffs a settlement of the Plaintiffs' claims.

10. A number of the Plaintiffs' claims have been adjusted and paid. There remain, however, many unresolved claims, particularly in connection with business loss and in particular, but without limitation, the claims for business loss as established by Matson Driscoll & Damico Ltd. (Forensic Accountants) of \$748,341.00 (covering only the period up to July 2016). Additionally there remains outstanding claims for physical damage to the premises and business losses after July of 2016.

11. The Defendant has not requested any of the Plaintiffs to provide Proofs of Loss but has delayed in adjusting the claim.

12. The Plaintiffs claim that under all of the circumstances the Defendant is estopped from relying on any failure of the Plaintiffs to provide Proofs of Loss or

any other documentation except as may be specifically requested and that the Defendant is delaying resolution, in bad faith.

13. The Plaintiffs submit that they are entitled to the relief as pleaded in paragraph 1 herein.

Delivered at Toronto this 30th day of March 2017.

Alfred Schorr
Barrister & Solicitor
227 Eagle Street East, Suite 200
Newmarket, Ontario L3Y 1J8

Toronto No. 905-940-9252
Toronto Fax 905-940-5583
Newmarket No. 905-898-8176
Newmarket Fax 905-898-4935
LSUC #11693H
Lawyer for the Plaintiffs

Action No. CV-17-570808

756597 Ontario Limited et al

and Intact Insurance Company

Plaintiff

Defendant

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceedings commenced in
Toronto

Statement of Claim

ALFRED S. SCHORR,
Barrister and Solicitor,
227 Eagle Street East
Suite 200
Newmarket Ontario L3Y 1J8

(905) 940-9252
Telecopier 905-940-5583
Law Society No. 11693H
Lawyer for the Plaintiff

Court File No: CV-17-11811-00CL

ZAHERALI VISRAM
Applicant

- and -

2220277 ONTARIO INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Kenneth Kraft (LSO # 31919P)
Tel: 416-863-4374
Fax: (416) 863-4592
kenneth.kraft@dentons.com

Sara-Ann Van Allen (LSO # 56016C)
Tel: (416) 863-4402
sara.vanallen@dentons.com

*Lawyers for A. Farber & Partners Inc., Court Appointed
Receiver of 2220277 Ontario Inc.*

APPENDIX “H”
TO THE FIFTEENTH REPORT OF
THE RECEIVER

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

BETWEEN:

ZAHERALI VISRAM

Applicant

- and -

2220277 ONTARIO INC.

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**FOURTEENTH REPORT TO THE COURT OF A. FARBER & PARTNERS INC. IN ITS
CAPACITY AS COURT APPOINTED RECEIVER OF 2220277 ONTARIO INC.**

March 14, 2019

A. GENERAL BACKGROUND

1. On August 1, 2017, pursuant to an order (the “**Receivership Order**”) of this Honourable Court (the “**Court**”), A. Farber & Partners Inc. was appointed receiver (the “**Receiver**”), pursuant to section 243(1) of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”) and Section 101 of the *Courts of Justice Act*, R.S.O. 1990 over all of the assets, undertakings and properties (the “**Property**”) of 2220277 Ontario Inc. (the “**Debtor**”).
2. Evan Karras (“**Karras**”) is the sole director and officer of the Debtor.
3. The Property included, without limitation, the real property municipally known as 650 Bay Street and 55 Elm Street located in Toronto, Ontario (the “**Real Property**”).

4. Pursuant to the Order of the Honourable Justice Penny, dated September 20, 2018 (the “**September 20 Order**”), Karras, 756597 Ontario Limited (“**756 Ontario**”) and 2296528 Ontario Inc. (“**229 Ontario**”) were required to deliver to the Receiver an accounting of all insurance proceeds received in respect of the March 13, 2016 flood at the Real Property. In addition, each of Karras, 756 Ontario and 229 Ontario were required to disgorge \$810,034 of insurance proceeds received as a result of the flood and deliver such funds to the Receiver, in trust. A copy of the September 20 Order is attached hereto as Appendix “A”.

B. PURPOSE OF THE REPORT

5. Pursuant to the Endorsement of the Honourable Justice Chiappetta, dated March 6, 2019, the Receiver has prepared this Fourteenth Report discussing the accounting and supporting documentation provided by Karras to the Receiver and the deficiencies of same. A copy of the Endorsement, dated March 6, 2019, is attached hereto as Appendix “B”.

C. DISCLAIMER

6. In preparing this Fourteenth Report, the Receiver has relied upon unaudited, draft and/or internal financial and other information provided by the sole director and officer of the Debtor, its advisors, and other third-party sources. The Receiver has not independently reviewed or verified such information. The Receiver has prepared this Fourteenth Report for the sole use of the Court and of the other stakeholders in these proceedings.

D. ACCOUNTING

7. Attached hereto as Appendix “C” is a copy of a spreadsheet prepared by the Receiver which summarizes the information provided by Karras to the Receiver in respect of the insurance proceeds. The payments claimed to have been made, as compiled on the spreadsheet, total \$1,129,153.76. Karras asserts that these payments were made on behalf of or for the benefit of the Debtor.
8. The spreadsheet also sets out the party who Karras claims received each payment and the amount of the payment(s) made to each party.

9. Based on its review of the information and the supporting documentation provided by Karras, the Receiver has broken down the alleged payments into three categories:

Category	Amount
No Reasonable Support Provided/Disputed	\$160,405.79
Reasonable Support Not Yet Provided	\$519,396.53
Reasonable Support Provided	<u>\$449,351.44</u>
Total	\$1,129,153.76

10. In the Receiver's view, the information is deficient as Karras has only provided reasonable support for \$449,351.44 of the payments allegedly made. A total of \$679,802.32 remains unaccounted for in that no support has been provided for the payments, or some supporting documentation has been provided however the documentation does not reasonably establish that the payments were made or, if made, were for the benefit of the Debtor.
11. The Receiver's reasons for the characterizations of the payments are set out in the column on the spreadsheet titled: Receiver's Notes.
12. As of the date of this Fourteenth Report, Karras has not disgorged any of the \$810,034 insurance proceeds, as mandated by the September 20 Order.
13. The Receiver reserves its right to proceed with its Motion seeking an Order finding each of Karras, 756 Ontario and 229 Ontario in contempt of Court.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED
THIS 14th DAY OF MARCH, 2019.**

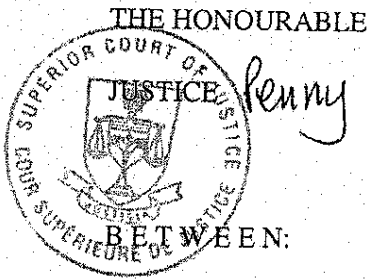
**A. Farber & Partners Inc. in its capacity
as Court-appointed Receiver of 2220277 Ontario Inc.
and not in its personal or corporate capacity**

Per: 

Name: Stuart Mitchell
Title: Senior Managing Director

Appendix A

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)



) THURSDAY, THE 20th
)
) DAY OF SEPTEMBER, 2018

ZAHERALI VISRAM

Applicant

- and -

2220277 ONTARIO INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C-43, AS AMENDED

ORDER

THIS MOTION, made by A. Farber & Partners Inc., in its capacity as the court appointed receiver (the "Receiver") of the assets, undertakings and properties of 2220277 Ontario Inc. (the "Debtor"), appointed pursuant to the Order of the Honourable Justice Mesbur, dated August 1, 2017 (the "Receivership Order"), for an order approving the Receiver's fees and those of its counsel, increasing the Receiver's borrowing capacity, directing Intact Insurance Company ("Intact") to pay the Insurance Proceeds (defined below) to the Receiver, and granting certain other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Ninth Report of the Receiver, dated August 27, 2018 ("Ninth Report"), the affidavits of the Receiver and its counsel as to fees (the "Fee Affidavits"), and on

hearing the submissions of counsel for the Receiver, Zaherali Visram, the Debtor, and 650 Bay Limited Partnership, no other parties appearing:

SERVICE

1. **THIS COURT ORDERS** that the timing and method of service of the Notice of Motion and the Motion Materials be and is hereby abridged and validated and this Motion is properly returnable today.

REPORT AND ACTIVITIES

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

STATEMENT OF RECEIPTS AND DISBURSEMENTS

3. **THIS COURT ORDERS** that the Receiver's Statement of Receipts and Disbursements, dated August 18, 2018, attached as Appendix "B" to the Ninth Report, be and is hereby approved.

FEES AND DISBURSEMENTS

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, for the period from March 17, 2018, to August 18, 2018, and its counsel, for the period from March 5, 2018, to July 31, 2018, as set out in the Ninth Report and the Fee Affidavits, be and are hereby approved.

FUNDING OF THE RECEIVERSHIP

5. **THIS COURT ORDERS** that paragraph 20 of the Receivership Order be and is hereby amended such that the maximum principal amount that the Receiver is empowered to borrow by way of revolving credit or otherwise is increased from \$250,000 to \$700,000 (or such greater amount as this Court may by further Order authorize).

PRE-RECEIVERSHIP INSURANCE PROCEEDS

6. **THIS COURT ORDERS AND DIRECTS** Evan Karras ("Karras"), 756597 Ontario Limited ("756 Ontario") and 2296528 Ontario Inc. ("229 Ontario") to deliver to the Receiver a

full accounting of all insurance proceeds received in respect of the March 13, 2016 flood (the "Flood") at 650 Bay Street and 55 Elm Street, Toronto, Ontario. The accounting is to be delivered within 30 days of the date hereof.

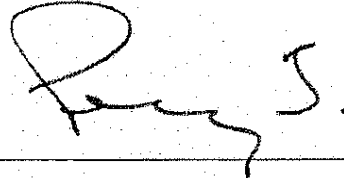
7. **THIS COURT ORDERS AND DIRECTS** Karras, 756 Ontario, 229 Ontario and any other party in receipt of the \$810,034 of insurance proceeds paid out by Intact in respect of the Debtor's building and business interruption claims arising as a result of the Flood, or any portion thereof, to forthwith disgorge same and deliver such monies to the Receiver to be held in trust by the Receiver until further Order of this Honourable Court or written agreement of Karras, 756 Ontario, 229 Ontario and the Receiver.

INSURANCE PROCEEDS

8. **THIS COURT ORDERS AND DIRECTS** Intact to forthwith pay CAD \$453,189.00 (the "Insurance Proceeds") to the Receiver, to be held in trust by the Receiver until further Order of this Honourable Court or written agreement of Karras, 756 Ontario, 229 Ontario and the Receiver.

9. **THIS COURT ORDERS** that, effective upon the filing with this Honourable Court of a certificate of the Receiver confirming the receipt of the Insurance Proceeds:

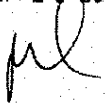
- (a) the action in the Ontario Superior Court of Justice, bearing Court File No. CV-17-570808 (the "Action"), commenced by Notice of Action, dated March 3, 2017, and Statement of Claim, dated March 30, 2017, attached hereto as Schedule "A", shall be dismissed, with prejudice and without costs; and
- (b) Intact shall be released from and against any and all claims, actions, causes of action, demands for monies, losses, and damages arising from or relating to the issues raised in, or that could have been raised in, the Action.



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

SEP 20 2018

PER / PAR:

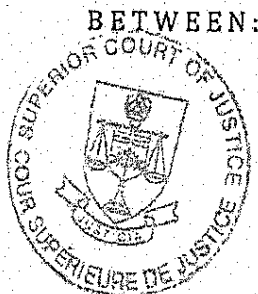


Schedule "A" – Notice of Action and Statement of Claim

ONTARIO
SUPERIOR COURT OF JUSTICE

Court File No.

CV-17-570808



BETWEEN:

756597 ONTARIO LIMITED, 2296528 ONTARIO INC.
and 2220277 ONTARIO INC.

PLAINTIFFS

- and -

INTACT INSURANCE COMPANY

DEFENDANT

NOTICE OF ACTION

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the statement of claim served with this notice of action.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this notice of action is served on you, if you are served in Ontario.

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(Where the claim made is for money only, include the following:)

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$1500.00 for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and \$400 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date March 3, 2017

Issued by [Signature]

Local registrar

Address of
Court Office 393 University Avenue, 10th Floor,
Toronto, Ontario M5G 1E6

TO: Intact Insurance Company, 1 - 700 University Avenue, Toronto, Ontario M5G 1X7

CLAIM

1. The Plaintiffs claim as against the Defendant:
 - (a) Compensation and indemnity under insurance policy 501351778 for losses incurred as a result of flooding and the consequent business interruption and consequential damages arising therefrom which occurred on 13th of March 2016 in the amount of \$1,500,000.00;
 - (b) Interest in accordance with the Courts of Justice Act;
 - (c) Costs on a substantial indemnity basis;
 - (d) Punitive damages of \$50,000.00 for bad faith in the settlement of this claim;
 - (e) Such further and other relief as to this Honourable Court may seem just.

Date of Issue: *March 3, 2017*

Alfred Schorr
Barrister & Solicitor
227 Eagle Street East, Suite 200
Newmarket Ontario L3Y 1J8

Alfred Schorr 905-940-9252
Fax: 905-940-5583
Law Society No. 11693H
Lawyer for the Plaintiff

Action No. CV-7-570808

756597 Ontario Limited et al
and Intact Insurance Company

Plaintiff

Defendant

<p>ONTARIO SUPERIOR COURT OF JUSTICE</p> <p>Proceedings commenced in Toronto</p>	<p>NOTICE OF ACTION</p> <p>ALFRED S. SCHORR, Barrister and Solicitor, 227 Eagle Street East Suite 200 Newmarket Ontario L3Y 1J8</p> <p>(905) 940-9252 Telecopier 905-940-5583 Law Society No. 11693H Lawyer for the Plaintiff</p>
--	---

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

756597 ONTARIO LIMITED, 2296528 ONTARIO INC.
and 2220277 ONTARIO INC.

PLAINTIFFS

- and -

INTACT INSURANCE COMPANY

DEFENDANT

STATEMENT OF CLAIM

Action commenced by way of Notice of Action
Issued March 3 2017.

1. Plaintiffs claim as against the Defendant:
 - (a) Compensation and indemnity under insurance policy 501351778 for losses incurred as a result of flooding and the consequent business interruption and consequential damages arising therefrom which occurred on 13th of March 2016 in the amount of \$1,500,000.00;
 - (b) Interest in accordance with the Courts of Justice Act;
 - (c) Costs on a substantial indemnity basis;
 - (d) Punitive damages of \$50,000.00 for bad faith in the settlement of this claim;
 - (e) Such further and other relief as to this Honourable Court may seem just.

2. The Plaintiffs are corporations incorporated pursuant to the Laws of the Province of Ontario.

3. The Defendant is an insurance company licensed to issue casualty insurance in the Province of Ontario.
4. 2220277 Ontario Inc. is the registered owner of a building municipally known as 55 Elm Street, Toronto, Ontario but which also has a municipal address of 650 Bay Street, Toronto, Ontario. The addresses are interchangeable.
5. The Plaintiff 756597 Ontario Limited is a tenant of the Plaintiff 2220277 Ontario Inc. and operates two restaurants known as 650 Café Bistro and Sliced Gourmet.
6. The Plaintiff 2296528 Ontario Inc. is the parent company of 2220277 Ontario Inc. (which originally operated a hotel located at the subject premises) which hotel is now operated by Be SixFifty Hotel Inc., a wholly owned subsidiary of the Plaintiff 2296528 Ontario Inc.
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any other documentation except as may be specifically requested and that the Defendant is delaying resolution, in bad faith.

13. The Plaintiffs submit that they are entitled to the relief as pleaded in paragraph 1 herein.

Delivered at Toronto this 30th day of March 2017.

Alfred Schorr
Barrister & Solicitor
227 Eagle Street East, Suite 200
Newmarket, Ontario L3Y 1J8

Toronto No. 905-940-9252
Toronto Fax 905-940-5583
Newmarket No. 905-898-8176
Newmarket Fax 905-898-4935
LSUC #11693H
Lawyer for the Plaintiffs

756597 Ontario Limited et al

Action No. CV-17-570808

and Intact Insurance Company

Plaintiff

Defendant

<p>ONTARIO SUPERIOR COURT OF JUSTICE</p> <p>Proceedings commenced in Toronto</p>	<p>Statement of Claim</p> <p>ALFRED S. SCHORR, Barrister and Solicitor, 227 Eagle Street East Suite 200 Newmarket Ontario L3Y 1J8 (905) 940-9252 Telecopier 905-940-5583 Law Society No. 11693H Lawyer for the Plaintiff</p>
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ZAHERALI VISRAM
Applicant

- and -

Court File No: CV-17-11811-00CL

2220277 ONTARIO INC.

Respondent

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

PROCEEDING COMMENCED AT TORONTO

ORDER

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

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Sara-Ann Van Allen (LSO # 56016C)
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sara.vanallen@dentons.com

*Lawyers for A. Farber & Partners Inc., Court Appointed
Receiver of 2220277 Ontario Inc.*

Appendix B

COUNSEL SLIP

Court File No. CV-17-00011811-00CL

Date: MARCH 06, 2019

No. On List 1

Title of Proceeding

VISRAM v-2220277 ONTARIO INC

Counsel for:

Plaintiff(s)
Applicant(s)
Petitioner(s)

Sara Van Allen
for the Receiver

Phone No. 416-863-4902

Fax No. 416-863-4592

Sara.vanallen@dentons.com

Counsel for:

Defendant(s)
Respondent(s)

W. Jaskiewicz
for Evan Karas

Phone No. 905-676-0174

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A. Farber & Partners Inc., Receiver

JOHN HENDRIKS

416-496-3701

416-496-3839

JHENDRIKS@FARBENGROUP.COM

MJ Chiappetta March 6, 2019

The parties have a 1 hour contempt motion scheduled on April 8 2019, plus other relief. →

They are hopeful that between now and then many issues can be resolved without the need for judicial assistance. To this end they have agreed that the Receiver will prepare a short report on the narrow issue of his findings re: accounting and Mr. Kurras will be cross-examined, ^{if necessary} on his affidavit responding to the short report. Should counsel require an attendance before me prior to April 8, 2019 I will make myself available. Costs are reserved.

J. J. J.

Appendix C

2220277 Ontario Inc. ("222")

Receiver's Analysis of EK's Claimed Payments on behalf of 2220277 Ontario Inc.

Vendor	Claimed by EK as of March 1, 2019 as made for 2220277 Ontario Inc.	No Reasonable Support Provided/ Disputed (Note 1)	Reasonable Support not Provided Yet (Note 1)	Reasonable Support Provided (Note 1)	Receiver's Notes
Mortgages:					
Zaherali Visram	\$ 50,000.00			\$ 50,000.00	
932005 Ontario Inc.	\$ 42,974.41		\$ 42,974.41		- \$26,545.11 paid after receivership. Collateral mortgage. No evidence payment was for 222
2315446 Ontario Inc. ("231")	\$ 74,500.00		\$ 74,500.00		- This company is not the 3rd mortgagee. Letter from 231 dated Feb 22, 2019 advising it received \$74,500 on behalf of 932005 Ontario Inc for mortgage interest. Collateral mortgage. No written payment direction and no evidence payment was for 222. Letter just from a printer, no letterhead, only PDF version, no original signature. \$6,250 paid after receivership.
Liu Bomir Janjanin	\$ 30,000.00		\$ 30,000.00		- Mortgage not in these individuals' names. Letter from 9480536 Canada Inc. signed by Zoran Nenandovic dated February 22, 2019 confirming direction. No letterhead, only PDF, no original signature. Appears to be a collateral mortgage. No evidence payment was for 222.
Vukoslav Vidovic	\$ 50,000.00		\$ 50,000.00		
Zoran Kopravica	\$ 30,000.00		\$ 30,000.00		
Other (Non-Mortgage):					
2528705 Ontario Inc.	\$ 165,952.05			\$ 165,952.05	- Invoices = payments = schedules attached to quote. AKA Touch Construction.
Alfred Schorr In Trust	\$ 47,356.50		\$ 10,107.84	\$ 37,248.66	
Arnstall	\$ 466.13			\$ 466.13	- \$10,107.84 paid after receivership.
Atlantic Union Investments Inc.	\$ 173,500.00		\$ 173,500.00		- Demand loan agreement dated Feb 3/15 for \$175k. Second Demand Loan agreement dated Feb 26/16 for \$160,000. No proof of advance. Not in QuickBooks. Not in Dec 31, 2015 F/S prepared by Suleman. Karras provided \$175k of 2015 invoices billed to 222 re roof patio payable to Lab Studio. No support to show Atlantic paid these. All these invoices are dated after the Feb 13, 2015 demand loan agreement. Related party.
Axiom Contractors & Equipment Sales Ltd.	\$ 71,500.00			\$ 71,500.00	
Brian Allossier	\$ 490.00			\$ 490.00	
Burkes Restoration	\$ 7,933.17			\$ 7,933.17	
David Upholstery	\$ 1,412.50			\$ 1,412.50	
Décor Shade systems Inc.	\$ 327.70			\$ 327.70	
Designer Renos	\$ 32,381.00		\$ 3,000.00	\$ 29,381.00	- \$3,000 paid after receivership.
Director of Employment Standards in Trust	\$ 1,829.45	\$ 1,829.45			- Claimed by Be Sixtiffy as rent offset.
Elm Debris Removal	\$ 770.00		\$ 770.00		
Fred Lalani	\$ 7,000.00		\$ 4,000.00	\$ 3,000.00	- \$4k re "Renewal Fee for Third Mortgage" billed to Karras/222 on April 1, 2016.
Galaxy Fire Protection	\$ 858.24	\$ 858.24			- Claimed by Be Sixtiffy as rent offset.
Gerald Beeston	\$ 632.80	\$ 632.80			- No documents received though EK notes as invoice provided.

Vendor	Claimed by EK as of March 1, 2019 as made for 2220277 Ontario Inc.	No Reasonable Support Provided/ Disputed	Reasonable Support not Provided Yet	Reasonable Support Provided	Receiver's Notes
Gold Card Leasing	\$ 50,695.19	\$ 41,748.98		\$ 8,946.21	- Only unsigned and undated lease provided for \$2,982.07 monthly re HVAC. Only 3 payments were for this \$2,982.07. No support for balance of alleged payments and Karras' schedule just says "no reference".
Hani Hides	\$ 3,800.00			\$ 3,800.00	
Harmony 4H	\$ 7,373.25			\$ 7,373.25	
Infostar Computer Solutions	\$ 761.60	\$ 761.60		\$	- Invoices for routers and network configuration - should be a Be Sixify expense.
Intact Insurance	\$ 35,163.48	\$ 6,496.82		\$ 28,666.66	- Annual premium of \$43k, so 8 payments would only be \$28,666. No reconciliation provided as to why more than that paid.
Keyser Mason Ball LLP	\$ 17,634.85	\$ 10,000.00	\$ 7,634.85		- \$10k claimed by Sixify as rent offset. KMB invoice summary since May 2013 not reconciled to the payments claimed by Karras. \$234.19 paid after receivership.
Murphy & Company	\$ 8,650.00	\$ 3,000.00	\$ 1,500.00	\$ 4,150.00	- \$3k claims as rent offset. \$1,500 paid after receivership.
NRG Equipment Inc.	\$ 50.85	\$ 50.85			- Invoice rendered to Be Sixify.
Petty Cash	\$ 22,420.00	\$ 22,420.00			- Statement from Lab Studio/Design for 2016 roof repairs shows payments but not who paid. Karras schedule shows "no reference".
Plutone Construction Plutone Addition in March 2019	\$ 6,506.40 \$ 1,887.10	\$ 1,785.40 \$ 1,887.10		\$ 4,721.00	- \$1,785 claimed as rent offset.
Prime Flooring	\$ 2,934.61			\$ 2,934.61	- Invoice without any note to whom it is being rendered. No evidence amounts paid.
Restoration Aid	\$ 13,146.28			\$ 13,146.28	
Steven Valerio	\$ 3,900.00			\$ 3,900.00	
Theodore Bowes	\$ 700.00			\$ 700.00	
Wilson Anoff	\$ 3,302.22			\$ 3,302.22	
Erbridge Gas	\$ 3,654.24	\$ 3,654.24			
Quality Top	\$ 2,450.00	\$ 2,450.00			
Stephen Handelman	\$ 5,000.00	\$ 5,000.00			- Email from David Preger (Handelman's lawyer?) provided but no support as to why 222 should pay this or reconciliation to amount paid.
Stephen Handelmen March 2019 addition]	\$ 15,000.00	\$ 15,000.00			
Employee Related: The Dominion of Canada Sunlife Group INS	\$ 3,588.86 \$ 10,875.20	\$ 3,588.86 \$ 10,875.20			- No support provided. - Schedule claiming benefits for 2016 to date of receivership for 4 employees (Gomez, Caplette, MacDonald and Karras) Gomez not paid by 222 in 2017. - Why so many employees? Site was vacant 2016 post-flood and only leased space to 1 related and 1 unrelated tenant in 2017. - Karras does not appear as an employee of 222. Why are all his benefits being paid by 222? - Why \$3,599.68 paid after receivership?
Guilherme Gomes	\$ 9,949.61		\$ 9,949.61		- 2016 T4 provided totaling \$25,899. No Business Number on T4 to validate employer. No evidence of services provided to 222 June 2016 to January 6, 2017.

Vendor	Claimed by EK as of March 1, 2019 as made for 2220277 Ontario Inc.	No Reasonable Support Provided/Disputed	Reasonable Support not Provided Yet	Reasonable Support Provided	Receiver's Notes
Kelly Caplette	\$ 46,959.68		\$ 46,959.68		- January 1, 2013 employment contract provided March 2019 does not tie into payments. \$6,700 was noted by Karras as being paid by 222 so cannot be charged to 222 again. No support provided for services provided to 222 March 2016 to July 2017.
Kyle MacDonald	\$ 34,500.14		\$ 34,500.14		- March 1, 2014 employment contract provided on March 1, 2019 does not tie into payments. No support provided for services provided to 222 March 2016 to March 2017.
"Accountant" (all same person):					
Royce Luong	\$ 3,000.00	\$ 3,000.00			
Summit Rehabilitation Centre	\$ 8,800.00	\$ 8,800.00			
Tu Anh Luong	\$ 16,566.25	\$ 16,566.25			- Email from Royce saying he provided service in 2016 and 2017 but no invoices or details. He claims aggregate amount of \$23,466.25. But neither Karras nor Royce have provided supporting documents. \$1,000 paid after receivership.
Grand Total	\$ 1,129,153.76	\$ 160,405.79	\$ 519,396.53	\$ 449,351.44	

RECEIVER'S GENERAL NOTE 1:

THESE CLAIMED PAYMENTS MAY REQUIRE FURTHER REVIEW BY THE RECEIVER AND/OR ACTUAL EVIDENTIARY PROOF OF PAYMENT FROM KARRAS. KARRAS' MOST RECENT (MARCH 1, 2019) SCHEDULE HAS 113 TRANSACTIONS (SPREAD AMONGST ALL 3 CATEGORIES ABOVE) TOTALLING \$632,014.50 AS HAVING 'NO REFERENCE'; INDICATING, FOR EXAMPLE, NO COPY OF A CHEQUE WAS PROVIDED OR THAT ONLY 3RD PARTY CONFIRMATIONS WERE PROVIDED.

ALL CLAIMED PAYMENTS WERE DATED POST-FLOOD SO ALL SUPPORTING DOCUMENTS WOULD BE READILY IN THE POSSESSION OF KARRAS AS HE APPROVED/MADE THE PAYMENTS. IT IS INCREDIBLE THAT KARRAS CANNOT DIRECTLY SUPPORT WHY HE MADE CERTAIN OF THESE PAYMENTS AND IS INSTEAD PURPORTEDLY RELYING ON 3RD PARTIES. CONSEQUENTLY, CERTAIN 3RD PARTY INFORMATION MAY NEED TO BE INDEPENDENTLY VERIFIED.

ZAHERALI VISRAM
Applicant

- and -

2220277 ONTARIO INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

**FOURTEENTH REPORT OF A. FARBER & PARTNERS
INC. IN ITS CAPACITY AS COURT APPOINTED
RECEIVER OF 2220277 ONTARIO INC.**

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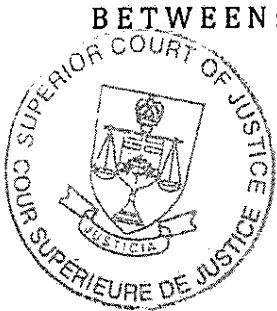
*Lawyers for A. Farber & Partners Inc., Court Appointed
Receiver of 2220277 Ontario Inc.*

APPENDIX “I”
TO THE FIFTEENTH REPORT OF
THE RECEIVER

ONTARIO
SUPERIOR COURT OF JUSTICE

Court File No.

CV 17-570808



BETWEEN:

756597 ONTARIO LIMITED, 2296528 ONTARIO INC.
and 2220277 ONTARIO INC.

PLAINTIFFS

- and -

INTACT INSURANCE COMPANY

DEFENDANT

NOTICE OF ACTION

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the statement of claim served with this notice of action.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this notice of action is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

(Where the claim made is for money only, include the following:)

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$1500.00 for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and \$400 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date March 3, 2017

Issued by [Signature]
Local registrar

Address of
Court Office 393 University Avenue, 10th Floor,
Toronto, Ontario M5G 1E6

TO: Intact Insurance Company, 1 - 700 University Avenue, Toronto, Ontario M5G 1X7

CLAIM

1. The Plaintiffs claim as against the Defendant:
 - (a) Compensation and indemnity under insurance policy 501351778 for losses incurred as a result of flooding and the consequent business interruption and consequential damages arising therefrom which occurred on 13th of March 2016 in the amount of \$1,500,000.00;
 - (b) Interest in accordance with the Courts of Justice Act;
 - (c) Costs on a substantial indemnity basis;
 - (d) Punitive damages of \$50,000.00 for bad faith in the settlement of this claim;
 - (e) Such further and other relief as to this Honourable Court may seem just.

Date of Issue: *March 3, 2017*

Alfred Schorr
Barrister & Solicitor
227 Eagle Street East, Suite 200
Newmarket Ontario L3Y 1J8

Alfred Schorr 905-940-9252
Fax: 905-940-5583
Law Society No. 11693H
Lawyer for the Plaintiff

Action No. CV-17-570808

756597 Ontario Limited et al and Intact Insurance Company

Plaintiff Defendant

	<p>ONTARIO SUPERIOR COURT OF JUSTICE</p> <p>Proceedings commenced in Toronto</p>
	<p>NOTICE OF ACTION</p> <p>ALFRED S. SCHORR, Barrister and Solicitor, 227 Eagle Street East Suite 200 Newmarket Ontario L3Y 1J8</p> <p>(905) 940-9252 Telecopier 905-940-5583 Law Society No. 11693H Lawyer for the Plaintiff</p>

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

756597 ONTARIO LIMITED, 2296528 ONTARIO INC.
and 2220277 ONTARIO INC.

PLAINTIFFS

- and -

INTACT INSURANCE COMPANY

DEFENDANT

STATEMENT OF CLAIM
Action commenced by way of Notice of Action
Issued March 3 2017.

1. Plaintiffs claim as against the Defendant:
 - (a) Compensation and indemnity under insurance policy 501351778 for losses incurred as a result of flooding and the consequent business interruption and consequential damages arising therefrom which occurred on 13th of March 2016 in the amount of \$1,500,000.00;
 - (b) Interest in accordance with the Courts of Justice Act;
 - (c) Costs on a substantial indemnity basis;
 - (d) Punitive damages of \$50,000.00 for bad faith in the settlement of this claim;
 - (e) Such further and other relief as to this Honourable Court may seem just.

2. The Plaintiffs are corporations incorporated pursuant to the Laws of the Province of Ontario.

3. The Defendant is an insurance company licensed to issue casualty insurance in the Province of Ontario.

4. 2220277 Ontario Inc. is the registered owner of a building municipally known as 55 Elm Street, Toronto, Ontario but which also has a municipal address of 650 Bay Street, Toronto, Ontario. The addresses are interchangeable.

5. The Plaintiff 756597 Ontario Limited is a tenant of the Plaintiff 2220277 Ontario Inc. and operates two restaurants known as 650 Café Bistro and Sliced Gourmet.

6. The Plaintiff 2296528 Ontario Inc. is the parent company of 2220277 Ontario Inc. (which originally operated a hotel located at the subject premises) which hotel is now operated by Be SixFifty Hotel Inc., a wholly owned subsidiary of the Plaintiff 2296528 Ontario Inc.

7. The Plaintiffs and others applied for and the Defendant issued a policy of insurance number 501351778 providing, among other provisions, for indemnity for any losses sustained as a result of a number of perils including flooding. The aforesaid policy covered the period from November 25 2015 to November 25 2016.

8. On or about the 13th of March 2016 a water pipe burst at the subject premises resulting in substantial water damage to the ceilings and walls of the hotel and the two restaurants and considerable business interruption.

9. The Plaintiffs immediately reported the loss to the Defendant and the Defendant engaged the services of an adjuster to provide immediate assistance, to value the claim and to negotiate with the Plaintiffs a settlement of the Plaintiffs' claims.

10. A number of the Plaintiffs' claims have been adjusted and paid. There remain, however, many unresolved claims, particularly in connection with business loss and in particular, but without limitation, the claims for business loss as established by Matson Driscoll & Damico Ltd. (Forensic Accountants) of \$748,341.00 (covering only the period up to July 2016). Additionally there remains outstanding claims for physical damage to the premises and business losses after July of 2016.

11. The Defendant has not requested any of the Plaintiffs to provide Proofs of Loss but has delayed in adjusting the claim.

12. The Plaintiffs claim that under all of the circumstances the Defendant is estopped from relying on any failure of the Plaintiffs to provide Proofs of Loss or

any other documentation except as may be specifically requested and that the Defendant is delaying resolution, in bad faith.

13. The Plaintiffs submit that they are entitled to the relief as pleaded in paragraph 1 herein.

Delivered at Toronto this 30th day of March 2017.

Alfred Schorr
Barrister & Solicitor
227 Eagle Street East, Suite 200
Newmarket, Ontario L3Y 1J8

Toronto No. 905-940-9252
Toronto Fax 905-940-5583
Newmarket No. 905-898-8176
Newmarket Fax 905-898-4935
LSUC #11693H
Lawyer for the Plaintiffs

Action No. CV-17-570808

756597 Ontario Limited et al

and Intact Insurance Company

Plaintiff

Defendant

	<p>ONTARIO SUPERIOR COURT OF JUSTICE</p> <p>Proceedings commenced in Toronto</p> <p>Statement of Claim</p> <p>ALFRED S. SCHORR, Barrister and Solicitor, 227 Eagle Street East Suite 200 Newmarket Ontario L3Y 1J8 (905) 940-9252 Telecopier 905-940-5583 Law Society No. 11693H Lawyer for the Plaintiff</p>
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APPENDIX “J”
TO THE FIFTEENTH REPORT OF
THE RECEIVER

**756597 ONTARIO LTD. & 2296528 ONTARIO INC.
(OWNER OF 2220277 ONTARIO INC. O/A BE SIXFIFTY HOTEL)
DATE OF LOSS – MARCH 13, 2016
PROFITS AND EXTRA EXPENSE LOSS
AUGUST 18, 2016**



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FORENSIC ACCOUNTANTS

MATSON DRISCOLL & DAMICO LTD

4 King Street West, Suite 1010 • Toronto, ON M5H 1B6
T 416.366.4968 F 416.366.4973 W mdd.com

August 18, 2016

Intact Insurance Company
700 University Avenue
16th Floor
Toronto, Ontario
M5G 0A1

Attention: Mr. Shannon Power

**RE: 756597 Ontario Ltd. & 2296528 Ontario Inc.
(owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)
Toronto, Ontario
Date of Loss – March 13, 2016
Claim No. 5372711
Policy No. 501351778**

Dear Mr. Power:

You have asked us as independent professional accountants experienced in economic loss quantification matters to provide you with our opinion with respect to the losses sustained by 756597 ONTARIO LTD. & 2296528 ONTARIO INC. (owner of 2220277 ONTARIO INC. O/A BE SIXFIFTY HOTEL), Toronto, Ontario, (the "insured") as a result of a pipe burst that occurred on March 13, 2016.

This review has been performed solely for the purposes outlined above and included the procedures we considered necessary and appropriate for the completion of our review.

A. EXECUTIVE SUMMARY

Based on the documents reviewed and subject to the assumptions, restrictions and qualifications set out in this report, we calculate a profits loss of \$624,608 and extra expenses of \$40,005, for a loss totalling \$664,613 for the period March 13 to July 31, 2016 (Schedule 1). We set out the loss amounts in Table 1 on the following page.

Table 1

Summary of Loss	
Description	Mar 13 - Jul 31/16
Profits Loss	
650 Café Bistro	\$ 55,278
Sliced Gourmet	100,529
SixFifty Hotel	<u>468,802</u>
Subtotal - Profits Loss	624,608
Extra Expense	<u>40,005</u>
Total	<u><u>\$ 664,613</u></u>

The insured's representative advised on August 2, 2016 that operations had not yet recommenced, and repairs were ongoing. As we are unaware of when the insured will resume operations, we have extended our calculations up to July 31, 2016. Our calculations will be subject to an update upon receipt of the information outlined in paragraph 8 below.

B. INTRODUCTION

Authors' Details and Compliance with Professional Standards

1. I, Cameron McQuaid, CPA, CA, CFF, am employed as a Manager in the Toronto office of Matson, Driscoll & Damico Ltd. ("MDD"), a firm of forensic accountants.
2. I have been assisted by employees of MDD and this is reflected in my references to "we" when appropriate, although all the comments and opinions expressed are my own.
3. This report has been prepared in compliance with the Chartered Professional Accountants of Canada standards for forensic accounting engagements and the Canadian Institute of Chartered Business Valuators standards for the preparation of expert reports.

Disclosure of Interests

4. I am not aware of any actual or potential conflict of interest that I may have in providing this report. Neither I nor my firm, MDD, so far as I am aware, have any prior connection with any of the parties named in this case.



Declaration of Independence

5. We have been engaged as independent professional accountants to provide an expert report. The terms of our engagement are to act in an independent and objective manner providing our opinion based on an assessment of the facts and our analysis. Our firm and its principals do not have any financial interest in these proceedings. Our fees are based solely on the time expended and are not contingent upon the ultimate results or conclusions reached.

Scope of Review

6. In arriving at our findings, we have reviewed and considered the following documentation:
- a) Insurance Policy Wordings and Declarations Pages;
 - b) Monthly Income Statements for bE SixFifty Hotel for the period January 1 to December 31, 2015;
 - c) Monthly Income Statements for Sliced Gourmet for the period January 1, 2015 to March 31, 2016;
 - d) Monthly Income Statements for 650 Café Bistro for the period January 1, 2014 to March 31, 2016;
 - e) Financial Statements for 2220277 Ontario Inc. o/a bE SixFifty Hotel for the fiscal year ended December 31, 2015;
 - f) Financial Statements for 756597 Ontario Ltd. for the fiscal year ended December 31, 2015;
 - g) GST/HST Remittances for 2220277 Ontario Inc. and 756597 Ontario Inc. for the period January 1 to December 31, 2015;
 - h) Weekly Revenue Summary for 650 Café Bistro and Sliced Gourmet for the period January to March 2015 and 2016;
 - i) Daily Occupancy Reports for bE SixFifty Hotel for the period January 1, 2015 to March 12, 2016;
 - j) Payroll History Report for bE SixFifty Hotel for the pay periods ending January 10 to May 15, 2016;
 - k) Monthly Revenue Summary for bE SixFifty Hotel for 2015;
 - l) Summary of Cancelled Events; and,
 - m) Invoices from Expedia to support hotel relocation costs to July 31, 2016.
7. We have been provided with access to the insured's management to discuss certain aspects of its operations.

8. In order to finalize our review, we require the following documentation:
- a) Monthly Income Statements for bE SixFifty Hotel for the periods September 1 to December 31, 2014 and January 1, 2016 to date;
 - b) Monthly Income Statements for Sliced Gourmet for the period April 1, 2016 to date;
 - c) Monthly Income Statements for 650 Café Bistro for the period April 1, 2016 to date;
 - d) Documentation to support payroll costs incurred by Sliced Gourmet and 650 Café Bistro following the loss;
 - e) Payroll History Report for bE SixFifty Hotel for the period May 16, 2016 to date;
 - f) Invoices to support hotel relocation costs from August 1, 2016 to date; and,
 - g) Daily Occupancy Reports for bE SixFifty Hotel for August 2016 onwards (i.e. from the date insured recommences operations onwards)

Background

9. The insured is located at 650 Bay Street in Toronto, Ontario and operates two businesses out of this location.¹
10. 756597 Ontario Ltd. operates two restaurants at the Bay Street location: "Sliced Gourmet" and "650 Café Bistro". Sliced Gourmet commenced operations in January 2015 and is a "grab and go" restaurant that is open 7 days a week. 650 Café Bistro commenced operations in February 2014 and is a Mediterranean limited service restaurant that is open 7 days a week.
11. 2296528 Ontario Inc. is a holding company which is the owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel ("**SixFifty Hotel**").² SixFifty Hotel commenced operations in September 2014 and has 22 rooms. The room breakdown for the SixFifty Hotel is as follows:
- 6 Single Rooms – These have one single sized bed and are advertised for \$169 per night.³
 - 7 Double Rooms – These have a double-sized bed along with other furniture and are advertised for \$189 per night.

¹ Although there are three businesses (i.e. revenue streams) affected as a result of the loss, the three businesses operate under two company names.

² We refer to Sliced Gourmet, 650 Café Bistro and SixFifty Hotel collectively as "the insured" throughout this report.

³ The actual revenue generated per room per night varies for all room types over the course of a year due to seasonality and availability.

- 9 Queen Rooms – These have a queen-sized bed along with other furniture and are advertised for \$229 per night.

Insurance in Force

12. Insurance has been provided by Intact Insurance Company under policy number 501351778 and the following report and calculations have been computed based on the following coverages:
 - Profits coverage (form EP11) limited to the actual loss sustained. We understand ordinary payroll is insured.
 - Extra Expense coverage with a limit of \$50,000.
13. Please be advised that we are not providing an opinion on the coverage in effect at the time of the loss and are only identifying the basis for the calculations that follow.

Description of Incident

14. On March 13, 2016 a pipe burst at 650 Bay Street which caused extensive water damage to the ceilings and walls of the hotel and two restaurants.
15. The insured's representative advised us on August 2, 2016 that the contractor has not yet completed the repair work and that all three businesses have not generated any revenue since the date of loss. We understand that repairs are expected to be completed sometime in the near future.

Restrictions and Qualifications

16. This report is not intended for general circulation or publication, nor is it to be reproduced for any purpose other than as outlined above without our written permission in each specific instance. We will not assume any responsibility or liability for losses occasioned to you or any other party as a result of the circulation, publication, reproduction or use of this report contrary to the provisions in this paragraph.
17. This is a preliminary report that is based on incomplete information that has been provided to date. We have not been provided with all of the information that is required to finalize our review and accordingly our findings may be subject to revision upon receipt of the necessary documentation.
18. We reserve the right, but will be under no obligation, to review all findings included or referred to in this report and, if we consider it necessary, to revise our conclusions in light of any material information which becomes known to us subsequent to the date of this report.



C. MDD DETAILED FINDINGS

19. Our report is based on the information that has been provided to us. We have measured the profits and extra expense losses suffered and recoverable under the insurance policy in force.
20. It should be noted that we have assumed that all hotel payroll ceased as of May 16, 2016 and that all restaurant payroll ceased immediately following the loss. Therefore, our calculations are subject to revision upon receipt of additional documentation relating to continuing payroll expenses following the loss (See paragraph 8 above).

Profits Loss

Indemnity Period

21. Our calculations are based on an indemnity period from March 13 to July 31, 2016.
22. The insured's representative advised on August 2, 2016 that operations had not yet recommenced and repairs are ongoing. As we are unaware of when the insured will resume operations, we have extended our calculations to July 31, 2016. Our calculations will be subject to an update upon receipt of the information outlined in paragraph 8 above.

Estimated Revenue Shortfall

650 Café Bistro and Sliced Gourmet

23. We have calculated the revenue losses of 650 Café Bistro and Sliced Gourmet at Schedules 2.1 and 2.2, respectively.
24. Based on year-over-year revenue growth during the period January 1 to March 12, 2016, we project revenue growth of 6.16% for Café Bistro and 5.87% for Sliced Gourmet during the loss period (Schedules 6.1 and 6.2).
25. Applying these growth rates, we calculate revenue shortfalls of \$161,852 (Schedule 2.1) and \$345,847 (Schedule 2.2) for 650 Café Bistro and Slice Gourmet, respectively.

SixFifty Hotel

26. The insured's representative has advised that average daily rates ("ADR") for the hotel were increasing in the period leading up to the loss. Our review of the hotel occupancy data supports this representation (Schedule 6.3).



27. Therefore, we have projected revenue for the period March 13 to July 31, 2016 assuming the same occupancy rate as the corresponding month in the year prior (with the exception of March 2016) and have applied year-over-year growth to the ADR from the year prior (Schedule 2.3).
28. Considering the foregoing, we calculate a revenue shortfall of \$626,042 for SixFifty Hotel for the period March 13 to July 31, 2016 (Schedule 2.3).

Rates of Gross Profit

29. We have calculated the rates of gross profit for 650 Café Bistro and Sliced Gourmet at Schedules 5.1 and 5.2, respectively. We have calculated the rate of gross profit for SixFifty Hotel at Schedule 5.3. Our calculations are based on the results for the fiscal year ended December 31, 2015.
30. Applying the rates of gross profit to the applicable revenue shortfall, we calculate a loss of gross profit of \$708,341 for the period March 13 to July 31, 2016, prior to consideration of any reduction in insured standing charges, as follows:

Table 2

Summary of Loss of Gross Profit to July 31, 2016			
Description	Revenue Shortfall	Rate of Gross Profit	Loss of Gross Profit
	A	B	A x B
650 Café Bistro	\$ 161,852	35.63%	\$ 57,667
Sliced Gourmet	345,847	30.43%	105,248
SixFifty Hotel	<u>626,042</u>	87.12%	<u>545,426</u>
Total	<u>\$ 1,133,741</u>		<u>\$ 708,341</u>

Reduction in Insured Standing Charges ("RISC")

31. As all three businesses have not been operating since the date of loss, it is reasonable that a portion of the fixed expenses have been reduced as a result of the loss. We have considered a portion of the following expenses as non-continuing as result of the loss: payroll, bookkeeping, advertising, utilities, and repairs & maintenance.
32. We have calculated the RISC for 650 Café Bistro and Sliced Gourmet at Schedules 5.1 and 5.2, respectively. We have calculated the RISC for SixFifty Hotel at Schedule 5.3 (relating to operating costs) and Schedule 8 (relating to payroll).



33. Deducting the RISC from the loss of gross profit, we calculate a profits loss of \$624,608 for the period March 13 to July 31, 2016, as follows:

Table 3

Summary of Profits Loss to July 31, 2016			
Description	Loss of Gross Profit A	Less: RISC B	Profits Loss A - B
650 Café Bistro	\$ 57,667	\$ 2,390	\$ 55,278
Sliced Gourmet	105,248	4,719	100,529
SixFifty Hotel	545,426	76,625	468,802
Total	\$ 708,341	\$ 83,733	\$ 624,608

Our calculations are subject to revision upon receipt of the monthly income statements for all three businesses for the period following the loss.

Extra Expense

34. We have calculated the extra expense loss at Schedule 9.
35. The insured has submitted invoices from Expedia relating to fees charged by the website for relocating guests that had reservations at the SixFifty Hotel. The insured's representative advised that no funds were received up front and that the amounts charged by Expedia are fully out-of-pocket expenses to the insured.
36. Based on the foregoing, we have considered the costs to be incremental to the insured and calculate extra expense of \$40,005 (Schedule 9).

Summary

37. Subject to the scope, restrictions, and deferrals set out in this report, we calculate a profits loss of \$624,608 and extra expenses of \$40,005, for a loss totalling \$664,613 for the period March 13 to July 31, 2016 (Schedule 1). We set out the loss amounts in Table 1.



Table 1

Summary of Loss	
Description	Mar 13 - Jul 31/16
Profits Loss	
650 Café Bistro	\$ 55,278
Sliced Gourmet	100,529
SixFifty Hotel	<u>468,802</u>
Subtotal - Profits Loss	624,608
Extra Expense	<u>40,005</u>
Total	<u>\$ 664,613</u>

38. The above calculations are before consideration of any deductible or other policy limitations.

RESPECTFULLY,

Matson, Driscoll + Dainico Ltd.

Index of Schedules and Appendices

756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)

Date of Loss - March 13, 2016

SCHEDULE

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- 2.1 Calculation of Profits Loss - 650 Café Bistro
- 2.2 Calculation of Profits Loss - Sliced Gourmet
- 2.3 Calculation of Profits Loss - SixFifty Hotel
- 3 Analysis of Monthly Revenue - 650 Café Bistro & Sliced Gourmet
- 4 Analysis of Room Occupancy and ADR - SixFifty Hotel
- 5.1 Calculation of Rate of Gross Profit and RISC - 650 Café Bistro
- 5.2 Calculation of Rate of Gross Profit and RISC - Sliced Gourmet
- 5.3 Calculation of Rate of Gross Profit and RISC - SixFifty Hotel
- 6.1 Analysis of Weekly Revenue - 650 Café Bistro
- 6.2 Analysis of Weekly Revenue - Sliced Gourmet
- 6.3 Analysis of ADR - SixFifty Hotel
- 7 Summary of Daily Occupancy & Revenue Statistics - SixFifty Hotel
- 8 Calculation of RISC - Payroll - SixFifty Hotel
- 9 Calculation of Extra Expense

APPENDIX

- A Summary of Monthly Income Statements - 650 Café Bistro
- B Summary of Monthly Income Statements - Sliced Gourmet
- C Summary of Monthly Income Statements (Partial) - SixFifty Hotel

Summary of Loss

756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)
Date of Loss - March 13, 2016

Description	Sch	Mar 13 - Jul 31/16	Comments
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Profits Loss

650 Café Bistro	2.1	\$ 55,278	
Sliced Gourmet	2.2	100,529	
SixFifty Hotel	2.3	<u>468,802</u>	

Subtotal - Profits Loss 624,608

Extra Expense 9 40,005 Note 1

Total \$ 664,613

Note 1: Relates to rescheduling of reservations with Expedia.ca. The costs are fully incremental to the insured as a result of the loss.

Calculation of Profits Loss - 650 Café Bistrot
 756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)
 Date of Loss - March 13, 2016

Month	No. of Days	2015 Revenue (Sch 6.1/3)	2016 Revenue (Note 1)		Loss of Gross Profit	RISC	Profits Loss		Comments
			Projected	Actual			Monthly	Cumulative	
Rate (Sch 6.1 / 5.1)			6.16%		35.63%	\$ 518			
March 13 to 31	19	\$ 19,179	\$ 20,361	\$ -	\$ 7,255	\$ 318	\$ 6,937	\$ 6,937	
April	30	34,922	37,075	-	13,210	518	12,692	19,629	
May	31	33,564	35,633	-	12,696	518	12,178	31,807	
June	30	31,825	33,787	-	12,038	518	11,520	43,327	
July	31	32,964	34,996	-	12,469	518	11,951	55,278	Note 2
Total - Mar 13 to Jul 31/16		\$ 152,454	\$ 161,852	\$ -	\$ 57,667	\$ 2,390	\$ 55,278		To Sch 1

Prorated for the applicable number of days.

Note 1: As the insured has been fully shut down for repairs, there is no post loss revenue to consider.
 Note 2: The insured's representative advised on August 2, 2016 that operations had not yet recommenced and repairs are ongoing. As we are unaware of when the insured will resume operations, we have extended our calculations up to July 31, 2016 on a monthly and cumulative basis.



Calculation of Profits Loss - Sliced Gourmet
756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)
Date of Loss - March 13, 2016

Month	No. of Days	2015 Revenue (Sch 6.2/3)	2016 Revenue (Note 1)		Shortfall	Loss of Gross Profit	RISC	Profits Loss		Comments
			Projected	Actual				Monthly	Cumulative	
		Rate (Sch 6.2 / 5.2)		5.87%		30.43% \$ 1,023				
March 13 to 31	19	\$ 41,428	\$ 43,858	\$ -	\$ 43,858	\$ 13,347	\$ 1,023	\$ 12,720	\$ 12,720	
April	30	70,649	74,793	-	74,793	22,761	1,023	21,738	34,458	
May	31	68,741	72,773	-	72,773	22,146	1,023	21,123	55,581	
June	30	73,684	78,006	-	78,006	23,739	1,023	22,716	78,297	
July	31	72,183	76,417	-	76,417	23,255	1,023	22,232	100,529	Note 2
Total - Mar 13 to Jul 31/16		\$ 326,685	\$ 345,847	\$ -	\$ 345,847	\$ 105,248	\$ 4,719	\$ 100,529	\$ 100,529	To Sch 1

Prorated for the applicable number of days.

Note 1: As the insured has been fully shut down for repairs, there is no post loss revenue to consider.

Note 2: The insured's representative advised on August 2, 2016 that operations had not yet recommenced and repairs are ongoing. As we are unaware of when the insured will resume operations, we have extended our calculations up to July 31, 2016 on a monthly and cumulative basis.

Calculation of Profits Loss - SixFifty Hotel
756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)
Date of Loss - March 13, 2016

Description	Sch	Rate/ Monthly Amount	2016					Total	Comments
			March 13-31	April	May	June	July		
Available Room Nights			418	660	682	660	682	3,102	A
Projected Occupancy Rate	4		93.56%	86.36%	96.19%	96.36%	82.84%		B, Note 2
Projected Rooms Sold			391	570	656	636	565	2,818	C=AxB
Average Daily Rate Year Prior	4		\$ 196.59	\$ 198.62	\$ 222.23	\$ 217.07			D
Growth in Average Daily Rate	6.3		7.65%	7.65%	7.65%	7.65%			E
Projected Average Daily Rate	4		\$ 207.05	\$ 211.63	\$ 213.82	\$ 239.23	\$ 233.67		F=DxE, Note 3
Room Revenue Loss			\$ 80,972	\$ 120,630	\$ 140,263	\$ 152,153	\$ 132,025	\$ 626,042	G=CxF
Loss of Gross Profit	5.3	H	\$ 70,545	\$ 105,097	\$ 122,201	\$ 132,560	\$ 115,024	\$ 545,426	I=GxH
RISC - Operating Costs	5.3		\$ 2,311	(2,311)	(2,311)	(2,311)	(2,311)	(10,658)	J
Net Loss prior to Payroll Savings			\$ 69,129	\$ 102,786	\$ 119,891	\$ 130,249	\$ 112,713	534,768	K=I+J
Less: RISC - Payroll	8						(65,966)	L	
Profits Loss								\$ 468,802	K+L
									To Sch 1

Based on the period March 13 to 31, or 19 days.

Note 1: The insured's representative advised on August 2, 2016 that operations had not yet recommenced and repairs are ongoing. As we are unaware of when the insured will resume operations, we have extended our calculations to July 31, 2016.

Note 2: We have assumed that the occupancy rate experienced during March 1 to 12, 2016 is representative of the occupancy rate to the end of March 2016, absent the loss. For the period April 1, 2016 onwards, we have utilized the occupancy rate experienced in the corresponding month in the year prior.

Note 3: We have assumed the average daily rate during March 1 to 12, 2016 is representative of the average daily rate to the end of March 2016. For the period April 1, 2016 onwards, we have applied the growth in the average daily rate experienced during the period January 1 to March 12, 2016 compared to the same period in the year prior.

650 Bay Street - Loss
8/18/2016; 10:23 AM

Subject to limitations presented in comments
which are an integral part of this report.



Analysis of Monthly Revenue - 650 Café Bistro & Sliced Gourmet

756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)

Date of Loss - March 13, 2016

Month	650 Café Bistro			Sliced Gourmet		
	2014 / 2015 (App A)	2015 / 2016 (App A / Sch 6.1)	Growth Rate	2014 / 2015 (App B)	2015 / 2016 (App B / Sch 6.2)	Growth Rate
March	\$ 27,297	\$ 31,098	13.92%		\$ 66,089	
April	28,894	34,922	20.86%		70,649	
May	27,869	33,564	20.43%		68,741	
June	29,678	31,825	7.23%		73,684	
July	31,496	32,964	4.66%		72,183	
August	27,035	29,456	8.96%		66,408	
September	32,628	31,822	-2.47%		71,721	
October	31,124	33,986	9.20%		75,896	
November	33,506	35,015	4.50%		76,022	
December	31,702	35,879	13.18%		78,963	
January	27,518	29,586	7.52%	\$ 60,238	66,725	10.77%
February	28,036	28,223	0.67%	60,988	61,534	0.90%
Total	\$ 356,783	\$ 388,340	8.84%	\$ 121,226	\$ 848,615	
					To Sch 2.2	
9 Months Ending Feb/16	\$ 272,723	\$ 288,756	5.88%			
6 Months Ending Feb/16	\$ 184,514	\$ 194,511	5.42%			
3 Months Ending Feb/16	\$ 87,256	\$ 93,688	7.37%			
		To Sch 2.1				
FYE December 31, 2015						
Per Monthly I/S (Above)		\$ 386,085			\$ 841,582	
Per F/S (Sch 5.1 / 5.2)		\$ 386,085			\$ 841,582	
Variance						
Amount		\$ -			\$ -	
%		0.00%			0.00%	

Analysis of Room Occupancy and ADR - SixFifty Hotel
756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)
Date of Loss - March 13, 2016

Month	2014/2015			2015/2016			2016/2017			Comments
	Room Nights (Sch 7)	Rooms Sold (Sch 7)	Occupancy Rate (Sch 7)	Room Nights (Sch 7)	Rooms Sold (Sch 7)	Occupancy Rate (Sch 7)	Room Nights (Sch 7)	Rooms Sold (Sch 7)	Occupancy Rate (Sch 7)	
March										
April				682	547	80.21%	264	247	93.56%	\$ 187.98
May				660	570	86.36%				\$ 196.69
June				682	656	96.19%				198.62
July				660	636	96.36%				222.23
August				682	565	82.84%				217.07
September				682	628	92.08%				150.60
October				660	582	88.18%				220.95
November				682	591	86.66%				169.71
December				660	541	81.97%				162.36
January	682	436	63.93%	682	507	74.34%				117.15
February	616	510	82.79%	682	610	89.44%				86.45
				638	577	90.44%				151.12
Total	1,298	946	72.88%	8,052	7,010	87.05%	264	247	93.56%	

To Sch 2.3 To Sch 2.3 To Sch 2.3 To Sch 2.3

Note 1: "2016/2017" amounts are for the period March 1 to 12, 2016.



Calculation of Rate of Gross Profit and RISC - 650 Café Bistro

756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)

Date of Loss - March 13, 2016

Description	FYE December 31, 2015		Gross Profit		Monthly RISC	Comments
	Amount	%	Amount	%		
	(App A)					
Revenue	\$ 386,085	100.00%	\$ 386,085	100.00%		
Cost of Sales						
Management Salary	36,000	9.32%				Note 1
Contract Labour	89,673	23.23%				Note 1
Cost of Food & Beverage	110,708	28.67%				
Total Cost of Sales	236,381	61.23%				
Gross Margin	149,704	38.77%				
Expenses						
Administrative and General						
Bookkeeping	1,800	0.47%	\$ 1,800	0.47%	\$ 75	Note 2
Debit Terminal Fee	948	0.25%	948	0.25%		
Bank Charges & Fees	6,074	1.57%				
Office Supplies	609	0.16%				
Other	367	0.10%				
Advertising & Promotion	2,715	0.70%	2,715	0.70%	113	Note 2
Utilities	4,616	1.20%	3,462	0.90%	144	Note 3
Rent	40,428	10.47%	40,428	10.47%		Note 4
Repair & Maintenance	2,228	0.58%	2,228	0.58%	186	
Supplies	3,939	1.02%				
Telephone	360	0.09%	360	0.09%		
Depreciation & Amortization	62,297	16.14%	62,297	16.14%		Note 5
Total Expenses	126,381	32.73%				
Net Income before Taxes	\$ 23,323	6.04%	23,323	6.04%		
	To Sch 3					
Gross Profit/Monthly RISC			\$ 137,561	35.63%	\$ 518	
			To Sch 2.1 To Sch 2.1			

Note 1: The insured's representative has advised that \$3,275 of monthly labour costs continued for the restaurants following the loss. We have not been provided with documentation to support continuing payroll costs and, therefore, for the purposes of this report we have considered all restaurant labour a variable expense when calculating the rate of gross profit. Our calculations will be updated upon the receipt of additional documentation.

Note 2: Assumed to be 50% non-continuing.

Note 3: Assumed to be 75% fixed and 50% non-continuing.

Note 4: Rent is paid to SixFifty Hotel which is insured under the same policy. You have advised that insurance proceeds have not been paid to SixFifty Hotel for any loss of rental income. As the rent expense is an allocation of profits to a company insured under the same policy, we have not considered a rent savings as a result of the loss.

Note 5: We understand there was minimal damage to kitchen equipment with only a few items needing replacement. On this basis we have not considered any economic savings relating to amortization as kitchen equipment is currently sitting idle.

Source: Financial Statements for 756597 Ontario Ltd. for the fiscal year ended December 31, 2015

650 Bay Street - Loss

8/18/2016; 10:23 AM

Subject to limitations presented in comments which are an integral part of this report.



Calculation of Rate of Gross Profit and RISC - Sliced Gourmet

756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)

Date of Loss - March 13, 2016

Description	FYE December 31, 2015		Gross Profit		Monthly RISC	Comments
	Amount	%	Amount	%		
(App B)						
Revenue	\$ 841,582	100.00%	\$ 841,582	100.00%		
Cost of Sales						
Management Salary	54,000	6.42%				Note 1
Contract Labour	251,232	29.85%				Note 1
Cost of Food & Beverage	257,290	30.57%				
Total Cost of Sales	562,522	66.84%				
Gross Margin	279,060	33.16%				
Expenses						
Administrative and General						
Bookkeeping	2,400	0.29%	\$ 2,400	0.29%	\$ 100	Note 2
Debit Terminal Fee	1,896	0.23%	1,896	0.23%		
Bank Charges & Fees	10,340	1.23%				
Office Supplies	1,912	0.23%				
Advertising & Promotion	4,702	0.56%	4,702	0.56%	196	Note 2
Utilities	14,508	1.72%	10,881	1.29%	453	Note 3
Rent	101,940	12.11%	101,940	12.11%		Note 4
Repair & Maintenance	3,284	0.39%	3,284	0.39%	274	
Supplies	7,072	0.84%				
Telephone	1,236	0.15%	1,236	0.15%		
Depreciation & Amortization	13,356	1.59%	13,356	1.59%		Note 5
Total Expenses	162,646	19.33%				
Net Income before Taxes	\$ 116,414	13.83%	116,414	13.83%		
	To Sch 3					
Gross Profit/Monthly RISC			\$ 256,109	30.43%	\$ 1,023	
			To Sch 2.2 To Sch 2.2			

Note 1: The insured's representative has advised that \$3,275 of monthly labour costs continued for the restaurants following the loss. We have not been provided with documentation to support continuing payroll costs and, therefore, for the purposes of this report we have considered all restaurant labour a variable expense when calculating the rate of gross profit. Our calculations will be updated upon the receipt of additional documentation.

Note 2: Assumed to be 50% non-continuing.

Note 3: Assumed to be 75% fixed and 50% non-continuing.

Note 4: Rent is paid to SixFifty Hotel which is insured under the same policy. You have advised that insurance proceeds have not been paid to SixFifty Hotel for any loss of rental income. As the rent expense is an allocation of profits to a company insured under the same policy, we have not considered a rent savings as a result of the loss.

Note 5: We understand there was minimal damage to kitchen equipment with only a few items needing replacement. On this basis we have not considered any economic savings relating to amortization as kitchen equipment is currently sitting idle.

Source: Financial Statements for 756597 Ontario Ltd. for the fiscal year ended December 31, 2015

650 Bay Street - Loss

8/18/2016; 10:23 AM

Subject to limitations presented in comments which are an integral part of this report.



Calculation of Rate of Gross Profit and RISC - SixFifty Hotel

756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)

Date of Loss - March 13, 2016

Description	FYE December 31, 2015		Gross Profit		RISC - Operating Costs (Monthly)	Comments
	Amount (App C)	%	Amount	%		
Rooms Sold (Sch 7)						
Revenue						
Room Revenue	\$ 1,182,908	100.00%	\$ 1,182,908	100.00%		
Rental Income	142,368	12.04%	\$ (142,368)	-12.04%		
Total Revenue	1,325,276	112.04%				
Cost of Sales						
Reservation Software Fees	3,039	0.26%	3,039	0.26%		
Cable	4,650	0.39%	4,650	0.39%		
Internet	3,150	0.27%	3,150	0.27%		
Wages	170,289	14.40%	170,289	14.40%		Note 1
Water	1,516	0.13%	1,516	0.13%		
Telephone	2,385	0.20%	2,385	0.20%		
Laundry	24,281	2.05%				
Linens	1,480	0.13%				
Cleaning Supplies	1,160	0.10%				
Stationary	4,733	0.40%				
Contract labour	84,521	7.15%				
Total Cost of Sales	301,204	25.46%				
Gross Margin	1,024,072	86.57%				
Expenses						
Administrative and General						
Accounting	24,000	2.03%	24,000	2.03%	\$ 1,000	Note 2
Bank Charges	1,680	0.14%	1,680	0.14%		
Management	36,000	3.04%	36,000	3.04%		Note 1
Moneris Processing Fee	30,548	2.58%				
Office Supplies	1,274	0.11%				
Advertising & Promotion	2,446	0.21%	2,446	0.21%	102	Note 2
Realty Taxes	49,665	4.20%	49,665	4.20%		
Utilities	17,308	1.46%	12,981	1.10%	721	Note 3/4
Repairs & Maintenance	11,700	0.99%	11,700	0.99%	488	Note 4
Professional Fees	5,737	0.48%	5,737	0.48%		
Insurance	30,651	2.59%	30,651	2.59%		
Depreciation & Amortization	271,471	22.95%	271,471	22.95%		Note 5
Interest	829,140	70.09%	829,140	70.09%		
Total	1,311,620	110.88%				
Net Income before Taxes	\$ (287,548)	-24.31%	(287,548)	-24.31%		
Gross Profit/Monthly RISC			\$ 1,030,584	87.12%	\$ 2,311	
			To Sch 2.3	To Sch 2.3		

Note 1: Payroll savings have been considered separately on Schedule 8.

Note 2: Assumed to be 50% non-continuing.

Note 3: Assumed to be 25% variable.

Note 4: Assumed to be 50% non-continuing as a result of the loss.

Note 5: The majority of the amortization expenses related to the building with the remainder relating to room furniture and fixtures. On this basis we have not considered any economic savings relating to amortization.

Source: Financial Statements for 2220277 Ontario Inc. o/a bE SixFifty Hotel for the fiscal year ended December 31, 2015

650 Bay Street - Loss

8/18/2016; 10:23 AM

Subject to limitations presented in comments which are an integral part of this report.



Analysis of Weekly Revenue - 650 Café Bistro

756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)

Date of Loss - March 13, 2016

2015			2016			Growth Rate
From	To	Amount	From	To	Amount	
Pre-Loss						
1-Jan-15	4-Jan-15	\$ 3,485	1-Jan-16	3-Jan-16	\$ 3,249	
5-Jan-15	11-Jan-15	5,524	4-Jan-16	10-Jan-16	5,949	
12-Jan-15	18-Jan-15	6,046	11-Jan-16	17-Jan-16	6,217	
19-Jan-15	25-Jan-15	6,579	18-Jan-16	24-Jan-16	7,035	
26-Jan-15	31-Jan-15	<u>5,884</u>	25-Jan-16	31-Jan-16	<u>7,136</u>	
Subtotal - January		<u>27,518</u>			<u>29,586</u>	
1-Feb-15	2-Feb-15	2,177	1-Feb-16	7-Feb-16	6,005	
3-Feb-15	8-Feb-15	6,295	8-Feb-16	14-Feb-16	6,643	
9-Feb-15	15-Feb-15	6,573	15-Feb-16	21-Feb-16	7,176	
16-Feb-15	22-Feb-15	6,894	22-Feb-16	28-Feb-16	7,445	
23-Feb-15	28-Feb-15	<u>6,097</u>	29-Feb-16	29-Feb-16	<u>954</u>	
Subtotal - February		<u>28,036</u>			<u>28,223</u>	
1-Mar-15	1-Mar-15	1,179	1-Mar-16	6-Mar-16	6,723	
2-Mar-15	8-Mar-15	6,105	7-Mar-16	12-Mar-16	7,100	
9-Mar-15	12-Mar-15	<u>4,635</u>				
Subtotal - March, pre-loss		<u>11,919</u>			<u>13,823</u>	
Total - Pre-loss		<u>\$ 67,473</u>			<u>\$ 71,632</u>	<u>6.16%</u>
					To Sch 3	To Sch 2.1
Post Loss						
13-Mar-15	15-Mar-15	\$ <u>3,476</u>				
16-Mar-15	22-Mar-15	6,272				
23-Mar-15	29-Mar-15	7,540				
30-Mar-15	31-Mar-15	<u>1,891</u>				
Total - Post Loss		<u>\$ 19,179</u>				To Sch 2.1

We have prorated revenue of \$8,111 for the week ending March 15, 2015 to reflect revenue during the periods.

Source: Weekly Revenue Summary for 650 Café Bistro for the period January to March 2015 and 2016

Analysis of Weekly Revenue - Sliced Gourmet

756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)

Date of Loss - March 13, 2016

2015			2016			Growth Rate
From	To	Amount	From	To	Amount	
Pre-Loss						
1-Jan-15	4-Jan-15	\$ 6,772	1-Jan-16	3-Jan-16	\$ 7,318	
5-Jan-15	11-Jan-15	12,058	4-Jan-16	10-Jan-16	13,471	
12-Jan-15	18-Jan-15	12,978	11-Jan-16	17-Jan-16	13,761	
19-Jan-15	25-Jan-15	15,779	18-Jan-16	24-Jan-16	16,673	
26-Jan-15	31-Jan-15	<u>12,652</u>	25-Jan-16	31-Jan-16	<u>15,502</u>	
Subtotal - January		<u>60,239</u>			<u>66,725</u>	
1-Feb-15	2-Feb-15	3,769	1-Feb-16	7-Feb-16	12,595	
3-Feb-15	8-Feb-15	13,787	8-Feb-16	14-Feb-16	15,262	
9-Feb-15	15-Feb-15	15,032	15-Feb-16	21-Feb-16	15,446	
16-Feb-15	22-Feb-15	15,163	22-Feb-16	28-Feb-16	16,320	
23-Feb-15	28-Feb-15	<u>13,237</u>	29-Feb-16	29-Feb-16	<u>1,911</u>	
Subtotal - February		<u>60,988</u>			<u>61,534</u>	
1-Mar-15	1-Mar-15	2,537	1-Mar-16	6-Mar-16	12,893	
2-Mar-15	8-Mar-15	13,696	7-Mar-16	12-Mar-16	13,292	
9-Mar-15	12-Mar-15	<u>8,427</u>				
Subtotal - March, pre-loss		<u>24,660</u>			<u>26,185</u>	
Total - Pre-loss		<u>\$ 145,887</u>			<u>\$ 154,444</u>	<u>5.87%</u>
					To Sch 3	To Sch 2.2
Post Loss						
13-Mar-15	15-Mar-15	<u>\$ 6,320</u>				
16-Mar-15	22-Mar-15	13,640				
23-Mar-15	29-Mar-15	17,199				
30-Mar-15	31-Mar-15	<u>4,269</u>				
Total - Post Loss		<u>\$ 41,428</u>				
		To Sch 2.2				

We have prorated revenue of \$14,747 for the week ending March 15, 2015 to reflect revenue during the periods.

Source: Weekly Revenue Summary for Sliced Gourmet for the period January to March 2015 and 2016

Analysis of ADR - SixFifty Hotel

756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)

Date of Loss - March 13, 2016

Description	2015			2016			Growth in ADR
	Rooms Sold (Sch 7)	ADR A	Revenue (Sch 7)	Rooms Sold (Sch 7)	ADR B	Revenue (Sch 7)	
January	436		\$ 47,113	610		\$ 52,733	
February	510		55,936	577		87,194	
March 1 to 12	220		41,269	247		51,140	
Total	1,166	\$ 123.77	\$ 144,318	1,434	\$ 133.24	\$ 191,067	7.65%

To Sch 2.3

650 Bay Street - Loss

8/18/2016; 10:23 AM

Subject to limitations presented in comments
which are an integral part of this report.

Summary of Daily Occurrences & Revenue Statistics - Six-Five-Fight
76597 Ontario Ltd. & Z296528 Ontario Inc. (owner of Z20277 Ontario Inc. via de Siftify Host)
Date of Loss - March 13, 2016

Day	2015				February				March				April					
	Available	Sold	RevPar	ADR	Available	Sold	RevPar	ADR	Available	Sold	RevPar	ADR	Available	Sold	RevPar	ADR		
1	22	11	\$ 145.67	\$ 1,602	72.84	22	79.51	\$ 1,749	\$ 79.51	22	\$ 186.02	\$ 4,092	22	186.02	\$ 186.02	19	\$ 204.19	\$ 3,890
2	22	13	109.55	64.73	64.73	22	60.50	1,331	60.50	22	189.90	4,398	22	189.90	199.90	16	187.16	3,155
3	22	18	99.85	72.47	72.47	22	73.25	1,612	73.25	22	199.90	4,398	22	199.90	199.90	21	231.33	4,856
4	22	12	81.59	44.50	44.50	22	101.36	2,230	101.36	22	171.67	2,747	22	171.67	124.85	22	255.70	5,625
5	22	7	108.30	33.82	33.82	22	91.40	2,011	91.40	22	174.02	2,958	22	174.02	134.47	22	140.54	3,092
6	22	13	112.15	1,488	68.27	22	111.37	2,118	111.37	22	211.45	4,440	22	211.45	201.84	22	174.26	2,614
7	22	15	92.74	1,498	68.00	22	108.53	2,390	108.53	22	245.11	5,392	22	245.11	184.17	22	184.17	2,210
8	22	6	96.41	590	26.84	22	111.96	2,015	111.96	22	182.85	3,474	22	182.85	157.92	22	194.27	3,691
9	22	12	114.34	1,372	62.37	22	109.83	1,647	109.83	22	189.18	2,388	22	189.18	108.53	22	198.89	3,381
10	22	13	108.12	1,419	64.48	22	112.43	1,911	112.43	22	149.20	2,388	22	149.20	88.16	22	198.00	3,168
11	22	11	111.39	1,225	55.70	22	111.04	1,777	111.04	22	155.68	2,335	22	155.68	106.13	22	234.42	4,823
12	22	7	121.01	847	38.50	22	110.47	1,547	110.47	22	189.18	2,707	22	189.18	123.04	22	152.90	2,752
13	22	14	119.22	1,827	73.96	22	99.81	1,992	99.81	22	337.86	6,757	22	337.86	307.15	22	184.83	3,371
14	22	9	106.82	988	44.93	22	138.22	2,903	138.22	22	195.55	3,715	22	195.55	188.88	22	198.29	3,586
15	22	17	111.01	1,887	85.78	22	99.30	1,509	99.30	22	114.25	1,828	22	114.25	83.09	22	237.59	5,227
16	22	15	114.56	1,031	48.87	22	110.79	1,263	110.79	22	147.17	1,769	22	147.17	120.18	22	245.33	5,387
17	22	11	110.27	1,854	75.18	22	100.78	2,129	100.78	22	145.05	1,698	22	145.05	73.53	22	213.73	4,702
18	22	12	107.79	1,283	58.79	22	96.78	2,129	96.78	22	189.90	3,788	22	189.90	161.73	22	141.94	2,881
19	22	13	110.19	1,432	65.11	22	101.28	2,248	101.28	22	209.85	3,941	22	209.85	172.84	22	187.54	3,001
20	22	16	103.57	1,641	74.60	22	108.53	2,248	108.53	22	189.90	3,788	22	189.90	161.73	22	189.16	3,171
21	22	18	116.35	2,094	85.20	22	99.29	1,988	99.29	22	209.85	3,941	22	209.85	209.95	22	189.36	3,787
22	22	10	113.81	2,278	103.46	22	94.03	1,504	94.03	22	209.85	3,941	22	209.85	160.94	22	199.36	4,210
23	22	20	106.86	2,137	97.15	22	99.29	1,988	99.29	22	189.90	3,788	22	189.90	161.73	22	199.11	4,380
24	22	15	110.75	1,218	58.38	22	120.29	2,045	120.29	22	201.98	4,233	22	201.98	192.42	22	185.66	4,085
25	22	22	111.21	2,224	101.10	22	101.78	2,239	101.78	22	183.88	4,074	22	183.88	185.16	22	138.10	2,488
26	22	11	110.75	1,218	58.38	22	112.57	2,477	112.57	22	171.35	2,742	22	171.35	124.82	22	188.11	3,762
27	22	20	111.21	2,224	101.10	22	112.28	2,470	112.28	22	168.50	2,528	22	168.50	114.89	22	205.11	4,512
28	22	22	106.82	2,028	92.08	22	137.38	3,022	137.38	22	110.15	1,322	22	110.15	60.08	22	201.16	4,224
29	22	19	107.83	2,264	102.83	22	65.27	1,878	65.27	22	185.88	3,918	22	185.88	178.07	22	189.97	3,908
30	22	21	107.83	2,264	102.83	22	65.27	1,878	65.27	22	185.88	3,918	22	185.88	178.07	22	189.97	3,908
31	22	18	104.22	1,878	65.27	22	65.27	1,878	65.27	22	185.88	3,918	22	185.88	178.07	22	189.97	3,908
Total/Average	882	436	\$ 106.05	\$ 47,113	\$ 59.08	816	\$ 108.88	\$ 55,938	\$ 90.81	882	\$ 187.98	\$ 402,826	\$ 150.77	880	\$ 186.59	\$ 112,057	\$ 168.78	
	To Sch 4	To Sch 4	To Sch 4	To Sch 6.3	To Sch 4	To Sch 4	To Sch 6.3	To Sch 6.3	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4	

Total March 1 to 12, 2015

284 To Sch 6.3
220 To Sch 6.3
41,269 To Sch 6.3
156.32 To Sch 6.3



650 Bay Street - Lower
815/2016: 10:23 AM
Subject to limitations presented in comments
which are an integral part of this report.

Summary of Daily Occupancy & Revenue Statistics - SixFifty Hotel
78697 Ontario Ltd. & 229529 Ontario Inc. (owner of 229277 Ontario Inc. o/a BE SixFifty Hotel)
Date of Loss - March 13, 2016

Day	May			June			July			August			
	Available	Sold	Rev/Par	Revenue	Rev/Par	ADR	Revenue	Rev/Par	ADR	Revenue	Rev/Par	ADR	
1	22	22	198.67	4,371	198.67	199.90	4,198	199.90	367.31	9,081	397.31	185.94	
2	22	21	203.04	4,264	193.81	199.74	4,394	199.74	358.68	7,494	340.86	186.84	
3	22	21	198.01	4,158	189.01	189.87	3,659	184.07	313.51	6,987	313.51	157.77	
4	22	20	199.90	3,998	181.73	201.13	4,224	181.96	253.96	5,978	253.96	187.76	
5	22	22	201.05	4,423	201.05	199.78	4,395	199.78	217.71	3,919	178.13	172.44	
6	22	21	194.25	4,079	185.42	202.40	4,453	202.40	208.87	3,969	180.39	177.44	
7	22	21	192.21	4,036	183.47	194.66	3,699	188.12	187.04	3,367	153.03	183.49	
8	22	21	198.58	4,389	188.58	209.99	4,620	209.99	185.86	2,974	135.17	185.79	
9	22	22	200.58	4,413	200.58	203.14	4,256	193.91	205.01	3,695	177.05	149.90	
10	22	22	187.32	3,372	153.28	205.43	4,519	205.43	194.84	3,704	186.36	148.30	
11	22	22	205.44	4,520	205.44	212.15	4,667	212.15	201.30	3,825	173.85	169.73	
12	22	22	205.44	4,520	205.44	212.15	4,667	212.15	161.88	2,914	132.45	166.57	
13	22	21	202.04	4,243	192.68	219.55	4,830	219.55	175.22	2,453	111.50	174.60	
14	22	21	199.90	4,198	190.81	209.99	4,620	209.99	186.04	2,977	135.30	189.83	
15	22	22	199.90	4,398	199.90	308.00	6,160	204.00	184.07	3,493	158.78	187.28	
16	22	21	188.18	3,952	179.63	199.90	4,198	190.81	208.66	3,865	180.21	140.04	
17	22	21	189.99	4,180	189.99	202.88	4,666	212.10	178.12	3,208	145.73	133.68	
18	22	20	201.24	4,025	182.95	199.90	4,198	190.81	345.60	7,603	345.60	139.74	
19	22	21	195.49	4,105	186.60	383.64	6,000	363.64	175.95	3,943	151.96	141.11	
20	22	21	194.10	3,648	185.82	375.76	5,267	356.76	177.79	2,845	128.30	145.38	
21	22	21	197.22	4,339	197.22	358.78	7,849	356.76	162.23	2,645	128.30	145.38	
22	22	23	206.86	4,807	218.46	199.90	3,996	181.73	168.85	2,903	133.78	138.93	
23	22	21	162.85	3,640	174.54	199.90	4,398	199.90	203.52	3,967	175.77	150.69	
24	22	19	195.78	3,720	189.08	198.70	3,913	177.87	239.87	4,797	218.08	168.55	
25	22	19	196.99	4,137	188.04	198.70	4,173	189.67	181.84	3,270	149.61	145.83	
26	22	21	196.99	3,959	179.86	201.37	4,430	201.37	186.23	2,980	135.44	150.92	
27	22	20	199.90	4,388	199.90	199.90	4,198	190.81	173.48	2,802	118.29	123.21	
28	22	22	205.48	4,521	205.48	199.90	3,792	172.36	169.32	2,370	107.75	113.94	
29	22	22	219.60	4,831	219.60	199.90	4,198	190.81	172.96	2,584	117.93	133.20	
30	22	22	199.90	4,398	199.90	199.90	3,998	181.73	198.59	3,972	180.54	144.14	
31	22	22	199.90	4,398	199.90	199.90	3,998	181.73	194.87	4,088	185.82	116.87	
Total/Average	832	656	198.62	130,295	191.05	222.23	141,340	214.15	217.07	122,842	179.83	150.69	94,576
	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4	To Sch 4



650 Bay Street - Loss
8/16/2016, 10:23 AM
Subject to limitations presented in comments
which are an integral part of this report.

Summary of Daily Occupancy & Revenue Statistics - StarFilly Hotel
758397 Ontario Ltd. & 2296528 Ontario Inc. (Owner of 2220277 Ontario Inc. or a BE StarFilly Hotel)
Date of Loss - March 13, 2016

Day	September				October				November				December			
	Available	Sold	Rev/Par	Revenue	Available	Sold	Rev/Par	Revenue	Available	Sold	Rev/Par	Revenue	Available	Sold	Rev/Par	Revenue
1	22	22	171.94	3,783	22	22	176.51	3,883	22	18	108.98	1,712	22	21	137.05	2,878
2	22	22	208.67	4,551	21	21	172.56	3,624	22	20	177.87	3,553	22	21	144.85	3,042
3	22	22	191.40	4,195	22	22	181.23	3,808	22	18	180.22	3,244	22	21	132.08	2,906
4	22	22	220.78	4,802	22	22	173.74	3,649	22	18	188.47	2,966	22	20	131.06	2,622
5	22	22	281.91	6,202	21	21	173.76	3,649	22	18	188.24	3,785	22	20	136.01	2,992
6	22	22	271.10	5,964	22	22	168.59	4,105	22	18	173.55	3,124	22	22	136.01	2,992
7	22	22	221.78	4,878	22	22	168.59	4,105	22	18	173.55	3,124	22	22	136.01	2,992
8	22	22	183.90	2,789	22	22	162.92	4,244	22	24	183.32	4,400	22	17	123.31	2,086
9	22	22	169.12	2,589	22	22	162.92	4,244	22	24	183.32	4,400	22	17	123.31	2,086
10	22	22	208.95	3,518	21	21	159.07	3,340	22	5	101.33	507	22	20	108.75	2,175
11	22	22	234.10	3,746	22	22	136.34	2,318	22	14	164.13	2,288	22	20	111.89	2,238
12	22	22	240.86	5,299	22	22	106.92	1,711	22	15	121.28	1,818	22	20	108.75	2,175
13	22	22	242.75	4,917	22	22	147.51	2,360	22	17	142.53	2,423	22	20	115.04	2,301
14	22	22	273.16	4,917	22	22	180.66	2,188	22	15	121.28	1,818	22	20	108.75	2,175
15	22	22	268.05	5,628	22	22	180.66	2,188	22	17	142.53	2,423	22	20	115.04	2,301
16	22	22	263.74	5,802	22	22	180.66	2,188	22	17	142.53	2,423	22	20	115.04	2,301
17	22	22	257.49	5,150	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
18	22	22	263.98	5,808	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
19	22	22	234.08	4,788	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
20	22	22	257.49	5,150	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
21	22	22	257.28	5,402	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
22	22	22	178.30	3,923	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
23	22	22	188.47	4,102	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
24	22	22	180.12	3,783	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
25	22	22	181.14	3,965	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
26	22	22	189.89	4,190	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
27	22	22	173.72	3,622	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
28	22	22	172.99	3,632	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
29	22	22	178.14	3,689	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
30	22	22	178.14	3,689	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
31	22	22	178.14	3,689	22	22	180.66	2,188	22	23	184.10	4,234	22	11	89.42	984
Total/Average	660	582	\$ 220.95	\$ 128,591	692	591	\$ 189.71	\$ 100,301	1,47.07	641	\$ 162.38	\$ 87,835	682	607	\$ 117.15	\$ 59,386



650 Bay Street - Loss
8/16/2016; 10:23 AM
Subject to limitations presented in comments
which are an integral part of this report.

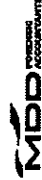
Summary of Daily Occupancy & Revenue Statistics - SixFifty Hotel
75687 Ontario Ltd. & 2286528 Ontario Inc. (owner of 2280277 Ontario Inc. or bE SixFifty Hotel)
Date of Loss - March 13, 2016

Day	2015				2016				March							
	Available	Sold	RevPar	Revenue	Available	Sold	RevPar	Revenue	Available	Sold	RevPar	Revenue	RevPar	Revenue		
1	264	232	\$ 181.03	\$ 44,319	\$ 173.14	16	\$ 76.66	\$ 1,731	\$ 119.42	16	\$ 86.95	\$ 1,911	21	\$ 229.37	\$ 4,817	
2	264	227	181.82	43,543	182.91	21	94.37	1,982	157.31	22	157.31	3,461	18	196.71	3,595	
3	264	233	180.11	44,297	189.79	19	88.91	1,889	145.46	22	145.46	3,200	19	198.89	3,779	
4	264	222	183.16	40,691	154.02	22	70.98	1,578	183.83	22	183.83	3,694	22	218.54	4,764	
5	264	232	178.77	41,706	157.98	22	80.98	1,778	158.85	22	158.85	2,859	21	205.86	4,323	
6	264	222	180.37	40,041	151.87	22	83.82	1,079	185.27	21	185.27	3,471	22	208.61	4,388	
7	264	229	175.22	40,126	151.98	22	75.30	1,260	149.38	20	149.38	3,088	20	206.43	4,129	
8	264	208	170.55	34,110	129.20	22	82.23	1,117	149.38	22	149.38	3,137	22	212.05	4,665	
9	264	218	166.47	36,280	137.46	22	93.83	1,970	152.57	22	152.57	3,357	22	178.42	3,033	
10	264	203	164.04	33,301	126.14	22	77.49	1,950	157.04	22	157.04	3,455	22	206.54	4,544	
11	264	215	172.57	37,102	140.54	22	20	95.74	1,915	157.04	22	157.04	3,455	22	193.52	4,064
12	264	211	167.37	35,314	133.77	22	86.91	1,956	157.04	22	157.04	3,307	21	193.52	4,064	
13	264	208	162.76	40,094	131.87	22	88.91	1,956	157.04	22	157.04	3,307	21	193.52	4,064	
14	264	224	165.01	41,442	156.96	22	21	97.55	2,049	157.04	22	157.04	3,307	22	219.92	4,838
15	264	215	183.06	41,442	156.96	22	21	97.55	2,049	157.04	22	157.04	3,307	22	219.92	4,838
16	264	213	179.29	38,189	144.85	22	22	96.39	2,121	101.51	12	101.51	1,218	21	158.48	3,328
17	264	230	176.72	40,646	153.96	22	22	96.39	2,121	101.51	12	101.51	1,218	21	158.48	3,328
18	264	221	187.10	41,348	156.63	22	21	63.15	1,326	159.36	20	159.36	3,506	20	154.89	3,094
19	264	237	184.30	43,679	165.45	22	16	85.81	1,370	159.36	20	159.36	3,506	20	154.89	3,094
20	264	219	185.92	40,716	154.23	22	21	88.28	1,854	159.36	20	159.36	3,506	20	154.89	3,094
21	264	223	186.14	41,510	157.24	22	21	84.46	1,774	148.41	19	148.41	2,820	19	178.42	3,033
22	264	228	158.01	36,027	136.46	22	23	69.35	2,055	136.04	14	136.04	2,585	14	102.28	1,432
23	264	217	182.79	35,326	133.81	22	22	62.44	1,814	136.04	14	136.04	2,585	14	102.28	1,432
24	264	229	174.13	39,878	151.04	22	22	85.59	1,893	136.04	14	136.04	2,585	14	102.28	1,432
25	264	223	169.48	35,560	134.70	22	21	70.03	1,471	136.04	14	136.04	2,585	14	102.28	1,432
26	264	228	169.94	38,466	136.13	22	20	90.28	1,989	136.04	14	136.04	2,585	14	102.28	1,432
27	264	224	155.97	34,937	132.34	22	22	60.39	1,832	136.04	14	136.04	2,585	14	102.28	1,432
28	264	231	163.11	37,678	142.72	22	21	87.28	1,846	136.04	14	136.04	2,585	14	102.28	1,432
29	264	208	153.98	32,028	132.35	22	20	99.54	2,168	136.04	14	136.04	2,585	14	102.28	1,432
30	242	208	165.42	34,407	142.16	22	21	86.73	1,863	136.04	14	136.04	2,585	14	102.28	1,432
31	154	139	164.11	22,811	148.12	22	19	55.86	1,051	136.04	14	136.04	2,585	14	102.28	1,432
Total/Average	9,030	6,799	\$ 174.75	\$ 1,182,906	\$ 147.31	682	\$ 86.45	\$ 52,733	\$ 77.32	639	\$ 151.12	\$ 87,194	\$ 136.67	284	\$ 207.85	\$ 51,140

The insured has been closed as of March 13, 2016.

Source: Daily Occupancy Reports for bE SixFifty Hotel for the period January 1, 2015 to March 12, 2016

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which are an integral part of this report.



Calculation of RISC - Payroll - SixFifty Hotel

758597 Ontario Ltd. & 2298528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)

Date of Loss - March 13, 2016

Employee Number	Pay Period Ending	Gross Wages	Employer Paid Benefits				Total Cost	Comments	Payroll Savings I.e. RISC	Comments
			CPP	EI	Vacation	Total				
% of Gross Wages			4.95%	2.83%	4.00%					
1	10-Jan-16	\$ 865	\$ 43	\$ 23	\$ 35	\$ 100	\$ 965			
1	24-Jan-16	1,276	63	34	51	148	1,423			
1	7-Feb-16	1,043	52	27	42	121	1,164			
1	21-Feb-16	1,212	60	32	48	140	1,352			
1	6-Mar-16	1,514	75	40	61	175	1,690			
1	20-Mar-16	1,190	59	31	48	138	1,328			
1	3-Apr-16	1,275	63	34	51	148	1,423			
1	17-Apr-16	-	-	-	-	-	-			
1	1-May-16	848	42	22	34	98	947			
1	15-May-16	-	-	-	-	-	-			
		\$ 9,223	\$ 457	\$ 243	\$ 369	\$ 1,068	\$ 10,291			
2	10-Jan-16	\$ 813	\$ 40	\$ 21	\$ 33	\$ 94	\$ 908			
2	24-Jan-16	475	23	12	19	55	530			
2	7-Feb-16	561	28	15	22	65	626			
2	21-Feb-16	612	30	16	24	71	683			
2	6-Mar-16	433	21	11	17	50	483			
2	20-Mar-16	421	21	11	17	49	470			
2	3-Apr-16	315	16	8	13	36	351			
2	17-Apr-16	-	-	-	-	-	-			
2	1-May-16	-	-	-	-	-	-			
2	15-May-16	-	-	-	-	-	-			
		\$ 3,830	\$ 180	\$ 96	\$ 145	\$ 420	\$ 4,051			
3	10-Jan-16	\$ 1,319	\$ 65	\$ 35	\$ 53	\$ 153	\$ 1,472			
3	24-Jan-16	1,199	59	32	48	139	1,337			
3	7-Feb-16	1,274	63	34	51	147	1,421			
3	21-Feb-16	1,202	59	32	48	139	1,341			
3	6-Mar-16	1,143	57	30	46	132	1,275			
3	20-Mar-16	1,131	56	30	45	131	1,262			
3	3-Apr-16	1,013	50	27	41	117	1,130			
3	17-Apr-16	-	-	-	-	-	-			
3	1-May-16	756	37	20	30	88	843			
3	15-May-16	-	-	-	-	-	-			
		\$ 9,035	\$ 447	\$ 238	\$ 361	\$ 1,046	\$ 10,082			
4	10-Jan-16	\$ 1,154	\$ 57	\$ 30	\$ 46	\$ 134	\$ 1,288			
4	24-Jan-16	1,119	55	29	45	130	1,249			
4	7-Feb-16	1,070	53	28	43	124	1,194			
4	21-Feb-16	1,293	64	34	52	150	1,443			
4	6-Mar-16	1,103	55	29	44	128	1,231			
4	20-Mar-16	657	33	17	26	76	733			
4	3-Apr-16	653	32	17	26	76	728			
4	17-Apr-16	667	33	18	27	77	744			
4	1-May-16	-	-	-	-	-	-			
4	15-May-16	-	-	-	-	-	-			
		\$ 7,716	\$ 382	\$ 203	\$ 309	\$ 894	\$ 8,609			
5	10-Jan-16	\$ 775	\$ 38	\$ 20	\$ 31	\$ 90	\$ 864			
5	24-Jan-16	560	28	15	22	65	625			
5	7-Feb-16	433	21	11	17	50	483			
5	21-Feb-16	502	25	13	20	58	560			
5	6-Mar-16	450	22	12	18	52	502			
5	20-Mar-16	771	38	20	31	89	860			

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Calculation of RISC - Payroll - SixFifty Hotel

756597 Ontario Ltd. & 2298528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)

Date of Loss - March 13, 2016

Employee Number	Pay Period Ending	Gross Wages	Employer Paid Benefits				Total Cost	Comments	Payroll Savings i.e. RISC	Comments
			CPP	EI	Vacation	Total				
5	3-Apr-16	-	-	-	-	-	-			
5	17-Apr-16	-	-	-	-	-	-			
5	1-May-16	-	-	-	-	-	-			
5	15-May-16	-	-	-	-	-	-			
		\$ 3,491	\$ 173	\$ 92	\$ 140	\$ 404	\$ 3,895			
6	10-Jan-16	\$ 1,240	\$ 61	\$ 33	\$ 50	\$ 144	\$ 1,384			
6	24-Jan-16	995	49	26	40	115	1,110			
6	7-Feb-16	1,070	53	28	43	124	1,194			
6	21-Feb-16	947	47	25	38	110	1,057			
6	6-Mar-16	648	32	17	26	75	723			
6	20-Mar-16	612	30	16	24	71	683			
6	3-Apr-16	544	27	14	22	63	607			
6	17-Apr-16	588	28	15	24	68	656			
6	1-May-16	-	-	-	-	-	-			
6	15-May-16	-	-	-	-	-	-			
		\$ 6,644	\$ 329	\$ 175	\$ 266	\$ 769	\$ 7,413			
7	10-Jan-16	\$ 582	\$ 29	\$ 15	\$ 23	\$ 67	\$ 649			
7	24-Jan-16	1,088	54	29	44	126	1,213			
7	7-Feb-16	1,105	55	29	44	128	1,233			
7	21-Feb-16	1,188	59	31	48	138	1,326			
7	6-Mar-16	1,260	62	33	50	146	1,406			
7	20-Mar-16	795	39	21	32	92	887			
7	3-Apr-16	1,076	53	28	43	125	1,201			
7	17-Apr-16	1,196	59	31	48	139	1,335			
7	1-May-16	1,084	54	29	43	126	1,209			
7	15-May-16	1,095	54	29	44	127	1,222			
		\$ 10,469	\$ 518	\$ 276	\$ 419	\$ 1,212	\$ 11,681			
8	10-Jan-16	\$ 1,117	\$ 55	\$ 29	\$ 45	\$ 129	\$ 1,247			
8	24-Jan-16	980	49	26	39	114	1,094			
8	7-Feb-16	549	27	14	22	64	612			
8	21-Feb-16	-	-	-	-	-	-			
8	6-Mar-16	-	-	-	-	-	-			
8	20-Mar-16	-	-	-	-	-	-			
8	3-Apr-16	-	-	-	-	-	-			
8	17-Apr-16	-	-	-	-	-	-			
8	1-May-16	-	-	-	-	-	-			
8	15-May-16	-	-	-	-	-	-			
		\$ 2,646	\$ 131	\$ 70	\$ 106	\$ 308	\$ 2,952			
9	10-Jan-16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
9	24-Jan-16	-	-	-	-	-	-			
9	7-Feb-16	-	-	-	-	-	-			
9	21-Feb-16	928	46	24	37	107	1,035			
9	6-Mar-16	847	42	22	34	98	945			
9	20-Mar-16	955	47	25	38	111	1,065			
9	3-Apr-16	840	42	22	34	97	937			
9	17-Apr-16	-	-	-	-	-	-			
9	1-May-16	-	-	-	-	-	-			
9	15-May-16	-	-	-	-	-	-			
		\$ 3,569	\$ 177	\$ 94	\$ 143	\$ 413	\$ 3,983			
10	10-Jan-16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			

650 Bay Street - Loss

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Subject to limitations presented in comments
which are an integral part of this report.

Calculation of RISC - Payroll - SixFifty Hotel

756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)

Date of Loss - March 13, 2016

Employee Number	Pay Period Ending	Gross Wages	Employer Paid Benefits				Total Cost	Comments	Payroll Savings I.e. RISC	Comments
			CPP	EI	Vacation	Total				
10	24-Jan-16	-	-	-	-	-	-			
10	7-Feb-16	-	-	-	-	-	-			
10	21-Feb-16	-	-	-	-	-	-			
10	6-Mar-16	21	1	1	1	2	23			
10	20-Mar-16	1,071	53	28	43	124	1,195			
10	3-Apr-16	1,050	52	28	42	122	1,172			
10	17-Apr-16	-	-	-	-	-	-			
10	1-May-16	-	-	-	-	-	-			
10	15-May-16	-	-	-	-	-	-			
		<u>\$ 2,142</u>	<u>\$ 106</u>	<u>\$ 56</u>	<u>\$ 86</u>	<u>\$ 248</u>	<u>\$ 2,390</u>			

Total - All Employees

Pre-Loss

10-Jan-16	\$ 7,865	\$ 389	\$ 207	\$ 315	\$ 911	\$ 8,776
24-Jan-16	7,690	381	202	308	891	8,581
7-Feb-16	7,105	352	187	284	823	7,928
21-Feb-16	7,882	390	207	315	913	8,795
6-Mar-16	7,420	367	195	297	859	8,279

Average

<u>\$ 7,592</u>	<u>\$ 376</u>	<u>\$ 200</u>	<u>\$ 304</u>	<u>\$ 879</u>	<u>\$ 8,472</u>	<u>A</u>
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Post Loss

20-Mar-16	\$ 7,603	\$ 376	\$ 200	\$ 304	\$ 881	\$ 8,483	B	\$ (12)	A-B
3-Apr-16	6,765	335	178	271	784	7,549	C	923	A-C
17-Apr-16	2,451	121	65	98	284	2,735	D	5,737	A-D
1-May-16	2,688	133	71	108	311	2,999	E	5,472	A-E
15-May-16	1,065	54	29	44	127	1,222	F	7,250	A-F
29-May-16							G	8,472	A-G

Total - To May 29, 2016

<u>\$ 22,988</u>	<u>\$ 27,843</u>
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Payroll Savings to July 31, 2016

<u>\$ 65,966</u>	Note 1
To Sch 2.3	

We have assumed that payroll has ceased from the pay period ending May 29, 2016 onwards. Our calculations are subject to revision upon receipt of payroll information for the period May 16, 2016 onwards.

Note 1: We have assumed that the payroll savings for the pay period ending May 29, 2016 will continue to July 31, 2016.

Source: Payroll History Report for bE SixFifty Hotel for the pay periods ending January 10 to May 15, 2016

Calculation of Extra Expense

756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)
Date of Loss - March 13, 2016

Invoice Number	Invoice Date	Planned Check-In Date	Per Invoice
			(Note 1)
4075210	3-Jun-16	25-Mar-16	\$ 22.54
4075211	3-Jun-16	22-Mar-16	99.00
4075212	3-Jun-16	24-Mar-16	166.28
4075213	3-Jun-16	22-Mar-16	42.55
4075219	3-Jun-16	19-Mar-16	118.54
4075220	3-Jun-16	19-Mar-16	118.54
4075221	3-Jun-16	22-Mar-16	80.34
4075235	3-Jun-16	15-Mar-16	36.07
4075270	3-Jun-16	22-Mar-16	128.11
4075272	3-Jun-16	17-Mar-16	39.41
4075296	3-Jun-16	1-Apr-16	608.22
4075300	3-Jun-16	6-Apr-16	273.43
4075334	3-Jun-16	9-Apr-16	492.50
4075339	3-Jun-16	4-Apr-16	213.24
4075370	3-Jun-16	8-Apr-16	153.60
4075520	3-Jun-16	14-Mar-16	104.05
4075533	3-Jun-16	10-Apr-16	240.15
4079133	3-Jun-16	22-Mar-16	58.99
4079166	3-Jun-16	30-Apr-16	448.71
4079168	3-Jun-16	30-Apr-16	270.18
4082903	7-Jul-16	5-May-16	143.20
4082903	7-Jul-16	27-Apr-16	412.49
4082903	7-Jul-16	26-Apr-16	345.51
4082903	7-Jul-16	26-Apr-16	1,122.16
4082903	7-Jul-16	11-May-16	934.45
4082903	7-Jul-16	16-May-16	103.75
4082903	7-Jul-16	18-May-16	89.78
4082903	7-Jul-16	18-May-16	63.69
4082903	7-Jul-16	22-May-16	319.64
4082903	7-Jul-16	17-May-16	120.98
4082903	7-Jul-16	17-May-16	120.98
4082903	7-Jul-16	16-May-16	484.34
4082903	7-Jul-16	16-May-16	73.51
4082903	7-Jul-16	27-May-16	156.39
4082903	7-Jul-16	30-May-16	106.48
4082903	7-Jul-16	31-May-16	91.02
4082903	7-Jul-16	23-May-16	444.65
4082903	7-Jul-16	24-May-16	203.86
4082903	7-Jul-16	28-May-16	202.88
4082903	7-Jul-16	28-May-16	197.10
4082903	7-Jul-16	28-May-16	203.08
4082903	7-Jul-16	30-May-16	217.56
4082903	7-Jul-16	30-May-16	85.58
4082903	7-Jul-16	30-May-16	85.58
4082903	7-Jul-16	24-May-16	961.30
4085408	12-Jul-16	23-May-16	325.17
4085408	12-Jul-16	28-May-16	341.91
4085408	12-Jul-16	28-May-16	727.14
4085408	12-Jul-16	2-Jun-16	43.93
4085408	12-Jul-16	1-Jun-16	470.38
4085408	12-Jul-16	4-Jun-16	437.20
4085408	12-Jul-16	8-Jun-16	87.93
4085408	12-Jul-16	8-Jun-16	241.93
4085408	12-Jul-16	7-Jun-16	316.06
4085408	12-Jul-16	14-Jun-16	269.20
4085408	12-Jul-16	19-Jun-16	439.08

650 Bay Street - Loss

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Subject to limitations presented in comments
which are an integral part of this report.



Calculation of Extra Expense

756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)
Date of Loss - March 13, 2016

Invoice Number	Invoice Date	Planned Check-In Date	Per Invoice
			(Note 1)
4085408	12-Jul-16	30-Jun-16	544.69
4085408	12-Jul-16	22-Jun-16	293.79
4085408	12-Jul-16	25-Jun-16	55.04
4085408	12-Jul-16	26-Jun-16	177.22
4085408	12-Jul-16	26-Jun-16	652.60
4089437	9-Aug-19	22-Jun-16	260.74
4089437	9-Aug-19	8-Jul-16	57.29
4089437	9-Aug-19	10-Jul-16	31.37
4089437	9-Aug-19	9-Jul-16	4,104.59
4089437	9-Aug-19	9-Jul-16	6,874.59
4089437	9-Aug-19	9-Jul-16	4,104.59
4089437	9-Aug-19	2-Jul-16	315.32
4089437	9-Aug-19	2-Jul-16	214.70
4089437	9-Aug-19	9-Jul-16	147.38
4089437	9-Aug-19	2-Jul-16	134.49
4089437	9-Aug-19	13-Jul-16	993.84
4089437	9-Aug-19	12-Jul-16	1,474.44
4089437	9-Aug-19	7-Jul-16	492.71
4089437	9-Aug-19	13-Jul-16	1,190.93
4089437	9-Aug-19	15-Jul-15	231.74
4089437	9-Aug-19	15-Jul-16	92.53
4089437	9-Aug-19	14-Jul-16	145.03
4089437	9-Aug-19	11-Jul-16	385.56
4089437	9-Aug-19	13-Jul-16	506.77
4089437	9-Aug-19	15-Jul-16	198.51
4089437	9-Aug-19	14-Jul-16	454.37
4089437	9-Aug-19	31-Jul-16	1,165.81

Total

\$ 40,005.08

To Sch 1

Note: The insured's representative has advised that the hotel could not honour reservations as a result of being shut down. As the fees charged by Expedia varied greatly per reservation, we inquired with the insured's representative as to whether the hotel received funds for the reservation when it was originally booked and whether the amounts Expedia is charging consists of SixFifty Hotel paying back the original funds received when the reservation was made, plus a cancellation/relocation fee charged by Expedia. The insured's representative advised that no funds were received up front and that the amounts charged by Expedia are fully an out-of-pocket expenses to the insured. In addition, we have been advised that the insured had to cover the cost to relocate the guests to other hotels within proximity and that competitor rates varied and were often higher than the rates charged by the SixFifty Hotel. This resulted in varying amounts charged by Expedia to the insured for each reservation.

Source: Invoices from Expedia to support hotel relocation costs to July 31, 2016

Summary of Monthly Income Statements - 650 Café Bistro
756597 Ontario Ltd. & 2296528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)
Date of Loss - March 13, 2016

Description	2014												Total
	January	February	March	April	May	June	July	August	September	October	November	December	
Food & Beverages	\$ -	\$ 32,445	\$ 27,297	\$ 28,994	\$ 27,869	\$ 29,578	\$ 31,496	\$ 27,035	\$ 32,628	\$ 31,124	\$ 33,506	\$ 31,702	\$ 333,674
Cost of Sales	-	22,307	18,289	17,235	15,043	15,729	17,480	14,734	17,371	17,709	19,500	18,146	193,543
Gross Margin	-	10,138	9,008	11,659	12,826	13,849	14,016	12,301	15,257	13,415	14,006	13,556	140,131
Expenses													
Administrative and General	-	523	451	476	498	541	552	473	593	544	602	670	5,923
Advertising and Promotion	-	475	225	275	375	326	389	187	225	175	215	346	3,213
Depreciation & Amortization	-	6,336	6,336	6,336	6,336	6,336	6,336	6,336	6,336	6,336	6,336	6,336	69,696
Utilities	-	367	338	378	442	576	624	618	536	367	459	346	5,051
Rent	-	3,238	3,238	3,238	3,238	3,238	3,238	3,238	3,238	3,238	3,238	3,238	35,618
Repairs & Maintenance	-	50	50	640	250	50	50	50	50	50	50	50	1,340
Supplies	-	219	218	222	229	287	305	27	315	217	325	252	2,618
Telephone & Communication	-	100	100	100	130	130	30	30	30	30	60	60	800
Total Expenses	-	11,308	10,956	11,665	11,498	11,484	11,524	10,959	11,323	10,957	11,285	11,298	124,257
Net Income before Taxes	\$ -	\$ (1,170)	\$ (1,948)	\$ (6)	\$ 1,328	\$ 2,465	\$ 2,492	\$ 1,342	\$ 3,934	\$ 2,458	\$ 2,721	\$ 2,258	\$ 15,874
		To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3



Summary of Monthly Income Statements - 660 Café Bistro
756597 Ontario Ltd. & 2298528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a BE SixFifty Hotel)
Date of Loss - March 13, 2016

Description	2016												Total
	January	February	March	April	May	June	July	August	September	October	November	December	
Food & Beverages	\$ 27,518	\$ 28,036	\$ 31,098	\$ 34,922	\$ 33,564	\$ 31,825	\$ 32,964	\$ 29,456	\$ 31,822	\$ 33,986	\$ 35,015	\$ 35,879	\$ 386,085
Cost of Sales	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Management Salary	4,980	5,351	6,574	8,367	7,992	7,552	7,966	7,271	8,344	7,926	8,166	9,184	89,673
Contract Labour	7,979	8,021	10,466	9,585	9,481	8,663	8,689	7,634	8,747	10,314	11,015	10,114	110,708
Cost of Food & Beverage	15,959	16,372	20,040	20,952	20,473	19,215	19,655	17,905	20,091	21,240	22,181	22,298	236,381
Total Cost of Sales	11,559	11,664	11,058	13,970	13,091	12,610	13,309	11,551	11,731	12,746	12,834	13,581	149,704
Gross Margin	15,959	16,372	20,040	20,952	20,473	19,215	19,655	17,905	20,091	21,240	22,181	22,298	236,381
Expenses	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Administrative and General	79	79	79	79	79	79	79	78	79	79	79	79	948
Bookkeeping	317	418	407	465	612	569	606	272	717	450	599	642	6,074
Debit Terminal Fee	-	-	-	-	-	-	139	-	267	203	-	-	609
Bank Charges & Fees	-	-	-	-	-	-	-	-	-	-	-	-	367
Office Supplies	110	150	250	180	330	315	380	420	175	120	175	110	2,715
Other	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	5,191	62,297
Advertising and Promotion	346	419	334	356	378	442	466	478	352	321	355	369	4,616
Depreciation & Amortization	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	40,428
Utilities	50	50	67	89	103	250	50	97	182	760	217	313	2,228
Rent	134	125	281	415	303	336	354	372	411	397	433	378	3,939
Repairs & Maintenance	30	30	30	30	30	30	30	30	30	30	30	30	360
Supplies	9,776	9,881	10,158	10,324	10,545	10,731	10,814	10,458	10,923	11,070	10,848	10,748	126,381
Telephone & Communication	9,776	9,881	10,158	10,324	10,545	10,731	10,814	10,458	10,923	11,070	10,848	10,748	126,381
Total Expenses	\$ 1,783	\$ 1,683	\$ 900	\$ 3,646	\$ 2,546	\$ 1,879	\$ 2,495	\$ 1,093	\$ 808	\$ 1,676	\$ 1,986	\$ 2,833	\$ 23,323
Net income before Taxes	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 5.1

650 Bay Street - Loss
8/18/2016; 10:22 AM
Subject to limitations presented in comments
which are an integral part of this report.



Summary of Monthly Income Statements - 650 Café Bistro
756597 Ontario Ltd. & 2286528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a DE SixFifty Hotel)
Date of Loss - March 13, 2016

Description	2016		
	January	February	March
Food & Beverages	\$ 29,586	\$ 28,223	\$ 13,823
Cost of Sales			
Management Salary	3,275	3,275	3,275
Contract Labour	5,143	4,585	2,719
Cost of Food & Beverage	9,698	9,235	3,661
Total Cost of Sales	18,116	17,095	9,655
Gross Margin	11,470	11,128	4,168
Expenses			
Administrative and General			
Bookkeeping	150	150	150
Debit Terminal Fee	79	79	79
Bank Charges & Fees	367	364	204
Office Supplies	-	-	-
Other	-	-	-
Advertising and Promotion	110	170	170
Depreciation & Amortization	4,157	4,157	4,157
Utilities	346	414	356
Rent	3,507	3,507	3,507
Repairs & Maintenance	66	118	50
Supplies	234	254	126
Telephone & Communication	30	30	30
Total Expenses	9,046	9,243	8,829
Net Income before Taxes	\$ 2,424	\$ 1,885	\$ (4,661)

Source: Monthly Income Statements for 650 Café Bistro for the period January 1, 2014 to March 31, 2016

650 Bay Street - Loss
8/18/2016; 10:22 AM
Subject to limitations presented in comments
which are an integral part of this report.



Summary of Monthly Income Statements - Sliced Gourmet
756597 Ontario Ltd. & 2286528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a BE SixFifty Hotel)
Date of Loss - March 13, 2016

Description	2015												Total
	January	February	March	April	May	June	July	August	September	October	November	December	
Food & Beverages	\$ 60,238	\$ 60,988	\$ 66,089	\$ 70,649	\$ 68,741	\$ 73,684	\$ 72,183	\$ 66,408	\$ 71,771	\$ 75,896	\$ 76,022	\$ 78,963	\$ 841,582
Cost of Sales	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	54,000
Management Salary	16,101	16,022	20,052	20,358	21,555	22,808	20,027	19,300	21,793	23,582	25,734	24,100	251,232
Contract Labour	16,833	17,832	22,105	22,027	21,540	20,184	20,645	20,592	19,575	24,099	24,593	25,285	257,290
Cost of Food & Beverage	37,434	36,354	46,657	46,885	47,595	49,272	45,172	44,392	45,888	52,181	54,827	53,885	562,522
Total Cost of Sales	22,804	22,634	19,432	23,764	21,146	24,412	27,011	22,016	25,853	23,715	21,195	25,078	279,060
Gross Margin													
Expenses													
Administrative and General													
Bookkeeping	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Debit Terminal Fee	158	158	158	158	158	158	158	158	158	158	158	158	1,896
Bank Charges & Fees	787	925	745	952	776	879	887	629	821	976	860	1,003	10,340
Office Supplies	-	55	276	388	224	166	-	-	204	315	176	110	1,912
Advertising and Promotion	218	375	355	375	406	386	386	489	516	375	215	513	4,702
Depreciation & Amortization	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	13,356
Utilities	1,089	1,126	1,275	1,128	1,216	1,489	1,416	1,536	1,124	1,023	989	1,089	14,508
Rent	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495	101,940
Repairs & Maintenance	60	78	77	746	86	89	158	385	1,195	66	123	213	3,284
Supplies	685	497	593	686	758	516	642	439	654	425	691	496	7,072
Telephone & Communication	103	103	103	103	103	103	103	103	103	103	103	103	1,236
Total Expenses	12,918	13,125	13,380	14,340	13,545	13,877	13,666	13,547	14,583	13,248	13,123	13,493	162,648
Net income before Taxes	\$ 9,886	\$ 9,509	\$ 6,052	\$ 9,424	\$ 7,601	\$ 10,735	\$ 13,245	\$ 8,489	\$ 11,270	\$ 10,466	\$ 8,072	\$ 11,565	\$ 116,414
To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 3	To Sch 5.2

650 Bay Street - Loss
8/18/2016; 10:22 AM
Subject to limitations presented in comments
which are an integral part of this report.



Summary of Monthly Income Statements - Sliced Gourmet
756597 Ontario Ltd. & 2286528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a bE SixFifty Hotel)
Date of Loss - March 13, 2016

Description	2016		
	January	February	March
Food & Beverages	\$ 66,725	\$ 61,534	\$ 26,185
Cost of Sales			
Management Salary	4,750	4,750	4,750
Contract Labour	17,398	16,657	6,721
Cost of Food & Beverage	22,843	21,267	8,188
Total Cost of Sales	44,789	42,674	19,657
Gross Margin	21,936	18,860	6,528
Expenses			
Administrative and General			
Bookkeeping	200	200	200
Debit Terminal Fee	158	158	158
Bank Charges & Fees	515	598	381
Office Supplies	-	55	-
Advertising and Promotion	287	315	175
Depreciation & Amortization	974	974	974
Utilities	1,123	1,015	788
Rent	8,880	8,980	8,980
Repairs & Maintenance	937	74	60
Supplies	737	413	209
Telephone & Communication	103	103	103
Total Expenses	13,884	12,885	12,026
Net Income before Taxes	\$ 7,942	\$ 5,975	\$ (5,498)

Source: Monthly Income Statements for Sliced Gourmet for the period January 1, 2015 to March 31, 2016

Summary of Monthly Income Statements (Partial) - SixFifty Hotel
756587 Ontario Ltd. & 2286528 Ontario Inc. (owner of 2220277 Ontario Inc. o/a BE SixFifty Hotel)
Date of Loss - March 13, 2016

Description	2016												Total
	January	February	March	April	May	June	July	August	September	October	November	December	
Revenue													
Rooms	\$ 47,113	\$ 55,938	\$ 102,828	\$ 112,057	\$ 130,295	\$ 141,340	\$ 122,642	\$ 94,578	\$ 128,591	\$ 100,301	\$ 87,835	\$ 59,398	\$ 1,182,908
Cost of Sales													
Reservation Software Fees	240	248	249	244	242	246	255	259	263	259	263	271	3,039
Cable	382	382	382	382	382	382	383	383	383	383	383	383	4,850
Internet	161	161	161	163	331	305	311	305	311	319	311	311	3,150
Wages	11,379	11,003	10,285	11,021	18,489	12,715	12,458	14,823	12,921	14,577	24,171	16,647	170,289
Water						898			130	130	130	130	1,516
Telephone	209	209	209	168	248	189	195	190	194	190	194	190	2,385
Laundry	1,430	1,401	1,401	1,897	2,600	2,678	2,578	2,194	2,177	2,181	2,688	2,659	24,281
Linens	1,144					336			97	51	42		1,480
Cleaning Supplies	186	112	87	126	94	132	84	113	97	51	42	36	1,160
Stationery	70	563	940	692	1,741		637					90	4,733
Contract Labour	7,765	7,812	7,869	7,822	7,906	7,585	7,567	7,463	7,589	4,704	4,858	5,533	84,521
Total Cost of Sales	21,558	21,920	20,843	22,583	30,984	27,305	23,989	26,177	24,075	22,804	33,048	28,260	301,204
Gross Margin	25,557	34,016	82,183	89,484	99,311	114,035	98,773	68,399	104,516	77,497	54,787	33,136	881,704
Expenses													
Administrative and General													
Accounting	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Bank Charges	140	140	140	140	140	140	140	140	140	140	140	140	1,680
Management	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Moneta Processing Fee	1,892	2,118	2,547	3,578	3,219	3,543	2,983	1,783	3,088	2,236	2,098	1,485	30,548
Office Supplies			581	22	297		21	14	168	171			1,274
Advertising and Promotion	113	113	113	113	113	133	133	133	343	133	133	873	2,446
Realty Taxes	4,139	4,139	4,139	4,139	4,139	4,139	4,139	4,139	4,138	4,139	4,139	4,138	49,685
Utilities	1,563	1,424	2,098	1,183	1,062	1,887	1,851	1,829	1,487	1,098	855	891	17,308
Repairs & Maintenance			300	1,055	1,285	892	1,686	1,580	1,420	1,224	1,525	633	11,700
Professional Fees						1,537	2,200				2,000		5,737
Insurance	2,554	2,554	2,554	2,592	2,540	2,551	2,551	2,551	2,551	2,551	2,551	2,551	30,851
Total Expenses	15,401	15,488	17,472	17,822	17,794	18,922	20,784	17,188	18,313	16,892	18,441	15,711	211,009
Net Income before Interest, Taxes, Amortization	\$ 10,156	\$ 18,528	\$ 64,711	\$ 71,672	\$ 81,517	\$ 94,113	\$ 77,989	\$ 51,230	\$ 86,203	\$ 60,605	\$ 36,346	\$ 17,425	\$ 870,695

Source: Monthly Income Statements for BE SixFifty Hotel for the period January 1 to December 31, 2015

650 Bay Street - Loss
8/18/2016; 10:22 AM
Subject to limitations presented in comments
which are an integral part of this report.



APPENDIX “K”
TO THE FIFTEENTH REPORT OF
THE RECEIVER



REPLY TO: SAM RAPPOS
FILE NO.: 52542
DIRECT: 416-218-1137
FAX: 416-218-1837
EMAIL: samr@chaitons.com

June 14, 2017

VIA COURIER AND REGULAR MAIL

KRG Insurance Brokers 700-2450 Victoria Park Avenue Toronto, ON M2J 4A2	Intact Insurance Company 700 University Avenue Toronto, ON M5G 0A1	John Valeriote, ClaimsPro 1101-33 Yonge Street Toronto, ON M5E 1G4
---	--	--

**Re: 55 Elm Street and 650 Bay Street, Toronto, Ontario
2220277 Ontario Inc., 756597 Ontario Limited, 999130 Ontario Limited, 2296528
Ontario Inc. and 2292470 Ontario Inc.
Intact Insurance Claim 5372711
Intact Insurance Policy Number 501351778
Zaherali Visram, first mortgagee/charge**

Dear Sirs/Mesdames,

We are the lawyers for Zaherali Visram. Mr. Visram is the first mortgagee of the property identified above.

We understand that there are outstanding insurance claims, as detailed in the letters sent to you by Phil Thompson on behalf of Mr. Visram dated January 25, 2017 and March 22, 2017, copies of which are enclosed herewith.

We also understand that, pursuant to a Direction dated January 20, 2017, a copy of which is enclosed herewith, parties directed Intact Insurance to pay 50% of any proceeds and payments due to them from any portion of their insurance claim from January 20, 2017 onwards to Mr. Visram.

We ask that you please provide an update at your earliest possible convenience regarding the status of the insurance claims, and whether any amounts have been settled or paid in connection with the insurance claims since January 20, 2017.

Yours truly,
CHAITONS LLP


Sam Rappos
LAWYER

Encl.

Cc: Client (via e-mail)
Phil Thompson (via e-mail)

Thompson Dymond

BUSINESS LAWYERS, CORPORATE COUNSEL

Phil Thompson
1595 Sixteenth Avenue, Suite 301
Richmond Hill, Ontario, L4B 3N9

Direct line: 905-881-6505 x*2263
Direct fax: 866-861-6578
Email: pthompson@thompsonlaw.ca

Practising in Association, not in Partnership

Our File #:4884

January 25, 2017

VIA COURIER AND ORDINARY MAIL

KRG Insurance Brokers
2450 Victoria Park Avenue, Suite 700
Toronto, ON M2J 4A2

and

Intact Insurance Company
700 University Avenue
Toronto, ON M5G 0A1

and

John Valeriote, ClaimsPro
1101-33 Yonge Street
Toronto, ON M5E 1G4

Dear Sirs/Madam:

Re: 55 Elm Street and 650 Bay Street, Toronto, Ontario

**And re: 2220277 Ontario Inc., 756597 Ontario Limited, 999130 Ontario Limited,
2296528 Ontario Inc. and 2292470 Ontario Inc.**

And re: Intact Insurance Claim 5372711

And re: Intact Insurance Policy Number 501351778

And re: Zaherali Visram, first mortgagee/charge

I confirm that we represent Zaherali Visram, the holder of the first mortgage/charge on the property noted above. We have been advised that there are outstanding insurance claims being investigated and resolved related to the property.

The purpose of this letter is as follows:

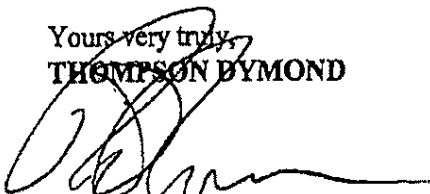
1. To confirm that no claims should be settled or paid without the input and authorization of my client as first charge/mortgagee.
2. Some of the relevant insureds have provided a Direction in that regard, a copy of which is attached. We are writing to bring this Direction to your attention so that we can ensure it is complied with.
3. The most recent Certificate of Insurance I have on file is attached. Please provide an up to date and current Certificate of Insurance confirming my client as an insured/loss payee as first mortgagee/chargee.
4. We would appreciate a brief status report on the status of the claims under consideration, and the best contact persons for my client to deal with in terms of being kept current on the process.

My contact information is noted above.

Mr. Visram's contact information is -- tristar@sympatico.ca - 416-886-0512 (cell) -- and you have my authority to deal with him directly.

Thank you and we look forward to hearing from you.

Yours very truly,
THOMPSON BYMOND



Per: Phil Thompson
PWT:bd

Enclosures

cc. Zaherali Visram, via email

Thompson Dymond

BUSINESS LAWYERS, CORPORATE COUNSEL

Phil Thompson
1595 Sixteenth Avenue, Suite 301
Richmond Hill, Ontario, L4B 3N9

Direct line: 905-881-6505 x*2263
Direct fax: 866-861-6578
Email: pthompson@thompsonlaw.ca

Practising in Association, not in Partnership

Our File #:4884

March 22, 2017

VIA COURIER AND ORDINARY MAIL

KRG Insurance Brokers
2450 Victoria Park Avenue, Suite 700
Toronto, ON M2J 4A2

and

Intact Insurance Company
700 University Avenue
Toronto, ON M5G 0A1

and

John Valeriote, ClaimsPro
1101-33 Yonge Street
Toronto, ON M5E 1G4

Dear Sirs/Madam:

Re: 55 Elm Street and 650 Bay Street, Toronto, Ontario

**And re: 2220277 Ontario Inc., 756597 Ontario Limited, 999130 Ontario Limited,
2296528 Ontario Inc. and 2292470 Ontario Inc.**

And re: Intact Insurance Claim 5372711

And re: Intact Insurance Policy Number 501351778

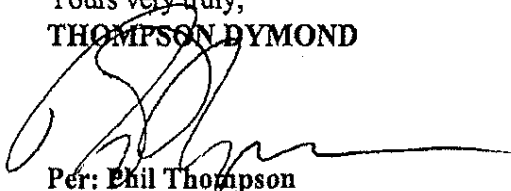
And re: Zaherali Visram, first mortgagee/charge

I note you have not responded to my letter of January 25, 2017 (copy attached).

Please provide the information and documentation requested in paragraphs numbered 3 and 4 in my letter. Also, please provide an accounting of all funds paid out under these matters since January 25th, 2017.

I confirm my client will be relying upon you to comply with your obligations to the mortgage lenders on this property, and to my client and further to the attached Direction in particular.

Yours very truly,
THOMPSON DYMOND

A handwritten signature in black ink, appearing to read 'Phil Thompson', written over the printed name 'THOMPSON DYMOND'.

Per: **Phil Thompson**
PWT:bd

Enclosures

cc. Zaherali Visram, via email

DIRECTION

TO: Intact Insurance

RE: 756597 Ontario Limited, 999130 Ontario Limited, 2296528 Ontario Inc. &
2292470 Ontario Inc.
Claim No: 5372711

This is to direct you and shall constitute your good and sufficient and irrevocable authority to pay fifty (50%) percent of any proceeds and payments due to us from any portion of our claim from this date forward, after the next \$200,000.00 paid to us solely, payable in favour of:

Zaherali Visram

Dated at Toronto this 20th day of January 2017.

756597 Ontario Limited

Per: 

Name: Evan Karras
Title: President

999130 Ontario Limited

Per: 

Name: Evan Karras
Title: President

2296528 Ontario Inc.

Per: 

Name: Evan Karras
Title: President

2292470 Ontario Inc.

Per: 

Name: Evan Karras
Title: President

I have the authority to bind the corporations.

APPENDIX “L”

TO THE FIFTEENTH REPORT OF
THE RECEIVER

Court File Number: CV-17-11811-00CL

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Visram

Plaintiff(s)

AND

22 20 277 Ontario Inc

Defendant(s)

Case Management Yes No by Judge: Chiappetta

Counsel	Telephone No:	Facsimile No:
<u>See attached</u>		

- Order Direction for Registrar (No formal order need be taken out)
 Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
 Adjourned to: _____
 Time Table approved (as follows):

The Receiver has brought a motion seeking to find Evan Karras (Karras) and 756597 Ontario Inc. (156 Ontario) and 2296528 Ontario Inc (229 Ontario) collectively the Respondents in contempt of the Order of Justice Penny dated Sept 30, 2018 (the Penny Order). Neither the Respondents nor their counsel attended today. There are no responding materials. Rather, Karras sent a "friend" to observe

Nov 29, 2018
Date

Chiappetta
Judge's Signature

Additional Pages 3

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

and counsel sent an email yesterday to counsel for the Applicant stating in relevant part that Kavvas "intends to comply with the [Penny] Order. I would hope this could be put over to give Kavvas the opportunity to address any follow-up that arises out of the enclosed spreadsheet. No one will be attending from our firm tomorrow so I leave this in your hands"

It would appear therefore that the Respondents fail to appreciate the seriousness of their failure to comply with the Penny Order. There is no explanation for the failure to comply, no urgency in their effort to comply and no ~~sign~~ sign of respect ^{for} the Penny Order ^{or} this Court in that no one feels it is important enough to attend today. I find this unacceptable and disrespectful to the administration of

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

the court process. It is therefore ordered that ~~Ann~~ Karras and his counsel appear before me at 9:00am on Wednesday December 5, 2018 to respond to the Applicant's contempt motion. I find it implausible that there has been no compliance with the Penny Order today. The Penny Order required the Respondents to deliver an accounting to the Receiver and disgorge certain insurance proceeds with 30 days of September 20, 2018. It is expected that upon their attendance on December 5, 2018 at 9:00am the Respondents shall be in full compliance with the Penny Order. To be clear, it is expected that by December 5, 2018 at 9:00am the Respondents will have delivered a full accounting of all insurance proceeds received in respect of the flood and will have disgorged

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

all insurance proceeds received by such parties in respect of the Debtor's building and business interruption claims and pay them to the Receiver in trust. In case it remains unclear to the Respondents - it is to be noted - should the Respondents fail to appear or fail to comply with the Penny Order by December 5, 2018 the Applicant's shall be entitled to a finding of contempt against them. Costs of today shall be awarded. The Respondents failure to attend resulted in costs thrown away borne by the Applicant. These costs are fixed at \$2,500 and payable to the Applicant prior to 9:00am on December 5, 2018.

APPENDIX "M"
TO THE FIFTEENTH REPORT OF
THE RECEIVER

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

BETWEEN:

ZAHERALI VISRAM

Applicant

– and –

2220277 ONTARIO INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

COSTS OUTLINE

A. Farber & Partners Inc., in its capacity as court-appointed receiver (the “**Receiver**”) of the assets, undertakings and properties of 2220277 Ontario Inc., provides the following outline of legal costs incurred in respect of the contempt proceedings, subsequent to the order as to costs, as contained in the Endorsement of the Honourable Justice Chiappetta, dated November 29, 2018:

Detail	Partial Indemnity	Substantial Indemnity	Actual
Legal Fees (as detailed below)	\$4,978.80	\$7,468.20	\$8,298.00
HST	\$647.24	\$970.87	\$1,078.74
TOTAL	<u>\$5,626.04</u>	<u>\$8,439.07</u>	<u>\$9,376.74</u>

The following points are made in support of the costs sought with reference to the factors set out in subrule 57.01(1):

1. The amount claimed and the amount recovered in the proceeding.
n/a
2. The complexity of the proceeding.
n/a
3. The importance of the issues.
n/a
4. The conduct of any party that tended to shorten or lengthen unnecessarily the duration of the proceeding.

Pursuant to the Order of the Honourable Justice Penny, dated September 30, 2018, Evan Karras and certain related parties were required to deliver an accounting of certain insurance proceeds, and disgorge such insurance proceeds and pay same to the Receiver. Mr. Karras did not comply with the Order and the Receiver has returned before this Court on November 29, 2018 (costs of \$2,500 were ordered in favour of the Receiver), December 5, 2018, January 23, 2019, February 15, 2019 and March 6, 2019 seeking Mr. Karras' compliance with the Order.

5. Whether any step in the proceeding was improper, vexatious or unnecessary or taken through negligence, mistake or excessive caution.
n/a
6. A party's denial of or refusal to admit anything that should have been admitted.
n/a
7. The experience of the party's lawyer.

Counsel Name	Year of Call
Kenneth Kraft	1991
Sara-Ann Van Allen	2008

8. The hours spent, the rates sought for costs and the rate actually charged.¹

FEE ITEMS (e.g. pleadings, affidavits, cross-examinations, preparation, hearing)	PERSONS (identify the lawyers, students and law clerks together with their year of call, if applicable)	HOURS (specify the hours claimed for each person identified in column 2)	PARTIAL INDEMNITY RATE (specify the rate being sought for each person identified in column 2)	SUBSTANTIAL INDEMNITY RATE (specify the rate being sought for each person identified in column 2)	ACTUAL RATE* (specify the actual rate of each person identified in column 2)
Preparation for and attendance at 9:00am hearing on December 5, 2018 before Justice Chiappetta	K. Kraft (1991)	1.6	\$528	\$792	\$880
Preparation for and attendance at 9:30am hearing on January 23, 2019 before Justice Chiappetta	S. Van Allen (2008)	1.3	\$390	\$585	\$650
Preparation for and attendance at 9:30am hearing on February 15, 2019 before Justice Chiappetta	S. Van Allen (2008)	1.5	\$390	\$585	\$650
Preparation for and attendance at 9:30am hearing on March 6, 2019 before Justice Chiappetta	S. Van Allen (2008)	2.4	\$390	\$585	\$650
Preparation of Fourteenth Report, dated March 14, 2019	S. Van Allen (2008)	5.4	\$390	\$585	\$650

*Specify the rate being charged to the client for each person identified in column 2. If there is a contingency fee arrangement, state the rate that would have been charged absent such arrangement.

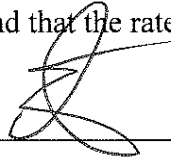
9. Any other matter relevant to the question of costs.

n/a

¹ Courts have now recognized that the rates suggested by the Civil Rules Committee's "Information for the Profession" practice direction, published in July 2005, are out-of-date. Case law from the Court of Appeal for Ontario has held that partial indemnity rates are more properly calculated at 55-60% of counsel's actual rates. See *Inter-Leasing Inc. v. Ontario (Revenue)*, 2014 ONCA 683 at para. 5. The partial indemnity rates given in this table are therefore 60% of counsel's actual rates charges to the client.

LAWYER'S CERTIFICATE

I CERTIFY that the hours claimed have been spent and that the rates shown are correct.



Date: March 28, 2019

Signature of Lawyer

DENTONS CANADA LLP

77 King Street West, Suite 400

Toronto-Dominion Centre

Toronto, ON M5K 0A1

Kenneth Kraft (LSO # 31919P)

Tel: 416-863-4374

Fax: (416) 863-4592

kenneth.kraft@dentons.com

Sara-Ann Van Allen (LSO # 56016C)

Tel: (416) 863-4402

sara.vanallen@dentons.com

*Lawyers for A. Farber & Partners Inc.,
Court Appointed Receiver of 2220277
Ontario Inc.*

ZAHERALI VISRAM
Applicant

- and -

2220277 ONTARIO INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

COSTS OUTLINE

DENTONS CANADA LLP
77 King Street West, Suite 400
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Toronto, ON M5K 0A1

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sara.vanallen@dentons.com

*Lawyers for A. Farber & Partners Inc., Court Appointed
Receiver of 2220277 Ontario Inc.*

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ZAHERALI VISRAM

Applicant

– and –

2220277 ONTARIO INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

RECEIVER'S COSTS

A. Farber & Partners Inc., in its capacity as court-appointed receiver (the “**Receiver**”) of the assets, undertakings and properties of 2220277 Ontario Inc., provides the following summary of Receiver’s costs incurred in respect of the contempt proceedings, subsequent to the order as to costs, as contained in the Endorsement of the Honourable Justice Chiappetta, dated November 29, 2018:

Detail	Actual
Receiver’s Fees (as detailed below)	\$39,540.00
HST	\$5,140.20
TOTAL	<u>\$44,680.20</u>

FEE ITEMS	PERSONS	HOURS	ACTUAL RATE	TOTAL
Preparation for and attendance at 9:00am hearing on December 5, 2018 before Justice Chiappetta	John Hendriks	4.7	\$550	\$2,585.00
	Stuart Mitchell	3.5	\$625	\$2,187.50
Preparation for and meetings with Evan Karras regarding documentation on December 17, 2018 and January 9, 2019	John Hendriks	7.5	\$550	\$4,125.00
Receipt and review of schedule of payments and supporting documentation and preparation of summary thereof	John Hendriks	9.3	\$550	\$5,115.00
	Stuart Mitchell	11.4	\$625	\$7,125.00
Preparation for and attendance at 9:30am hearing on January 23, 2019 before Justice Chiappetta	John Hendriks	2.7	\$550	\$1,485.00
Receipt and review of schedule of payments and additional supporting documentation and preparation of summary thereof	John Hendriks	11.1	\$550	\$6,105.00
Preparation for and attendance at 9:30am hearing on February 15, 2019 before Justice Chiappetta	John Hendriks	1.2	\$550	\$660.00

Receipt and review of schedule of payments and additional supporting documentation and preparation of summary thereof	Stuart Mitchell	1.0	\$625	\$625.00
	John Hendriks	3.5	\$550	\$1,925.00
Preparation for and attendance at 9:30am hearing on March 6, 2019 before Justice Chiappetta	John Hendriks	2.0	\$550	\$1,100.00
Preparation of Fourteenth Report, dated March 14, 2019	Stuart Mitchell	5.3	\$625	\$3,312.50
	John Hendriks	5.8	\$550	\$3,190.00
			Total	\$39,540.00

ZAHERALI VISRAM
Applicant

- and -

2220277 ONTARIO INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

RECEIVER'S SUMMARY OF COSTS

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Kenneth Kraft (LSO # 31919P)

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sara.vanallen@dentons.com

*Lawyers for A. Farber & Partners Inc., Court Appointed
Receiver of 2220277 Ontario Inc.*

APPENDIX “N”
TO THE FIFTEENTH REPORT OF
THE RECEIVER

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

THE HONOURABLE *MISTER*
JUSTICE *G. HAINEY.*

) THURSDAY, THE
)
) 22ND DAY OF
)
) NOVEMBER, 2018

BETWEEN:

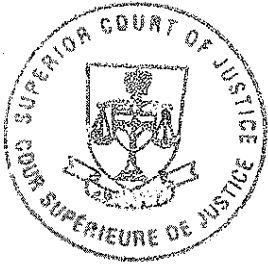
ZAHERALI VISRAM

Applicant

and

2220277 ONTARIO INC.

Respondent



APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C-43, AS AMEDNED

ORDER

THIS MOTION, originally brought as a Cross-Motion by 650 Bay Limited Partnership (“**650 Bay LP**”), its general partner, 650 Bay GP Inc. (“**650 Bay GP**”), and its limited partner, 650 Bay Lalu LP Holdings Inc. (“**Lalu Holdings**”), (collectively, the “**Lalu Parties**”), for, *inter alia*, an Order permitting the transfer of \$200,000 held in trust by Goldman Hine LLP, pursuant to the Order of the Honourable Dunphy, dated March 6, 2018, was heard this day at the Court House, 330 University Ave., Toronto, Ontario M5G 1R7.

UPON READING the Motion Record for the Cross-Motion of the Lalu Parties, containing the Notice of Cross-Motion and the Affidavit of Caitlin Barker, sworn August 31, 2018 and the exhibits attached thereto, the Supplementary Motion Record for the Cross-Motion of the Lalu Parties, containing the affidavit of Caitlin Barker, sworn November 13, 2018, and the exhibits attached thereto, the 12th Report of the Receiver, dated February 19, 2018 and the appendices attached thereto, and upon hearing from the lawyers for the Lalu Parties and the lawyers for the Receiver, no one appearing for the Respondent, or for Evan Karras, or 9329293 Canada Inc., although properly served.

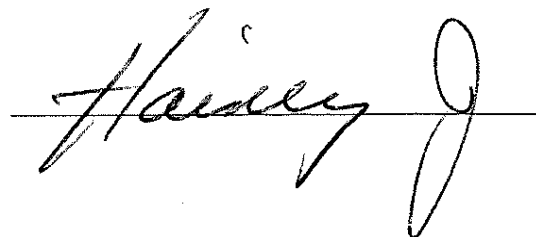
1. **THIS COURT ORDERS** that the sum of \$200,000 (the "**Trust Funds**"), currently being held in trust by Goldman Hine LLP ("**GH LLP**"), counsel for the Cross-Moving Parties, pursuant to the Order of the Honourable Justice Dunphy, dated March 6, 2018, shall be disbursed forthwith as follows:

- a. \$70,000 shall be paid to the Receiver in Trust, which funds shall be held in trust by the Receiver pending further Order of this Honourable Court or the written consent of both 9329293 Canada Inc. and the Receiver; the Lalu Parties shall have no further interest in the funds transferred to the Receiver in trust; and
- b. \$130,000, shall be paid to 650 Bay LP, or as 650 Bay GP may direct, less the amount of \$34,519.20 which shall be paid to GH LLP and any other legal fees owed or owing to Goldman Hine LLP by the Lalu Parties, or any of them.

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

NOV 23 2018

PER / PAR: *RW*

A handwritten signature in black ink, appearing to read "Hainey J.", is written over a horizontal line. The signature is cursive and includes a large, stylized flourish at the end.

ZAHERALI VISRAM
Applicant

v.

2220277 ONTARIO INC.
Respondent
Court File No. CV-17-11811-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

ORDER

GOLDMAN HINE LLP, Barristers
401 Bay Street, Suite 2410, Box 24
Toronto, Ontario M5H 2Y4

Robert Hine (39484Q)
r.hine@goldmanhine.com

Tel.: (416) 867-8532
Fax: (416) 867-9103

Lawyers for the Cross-moving Parties

APPENDIX “O”
TO THE FIFTEENTH REPORT OF
THE RECEIVER

**IN THE MATTER OF AN ARBITRATION PURSUANT TO SECTION 17.2 OF THE
AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT, DATED JULY
29, 2016**

BETWEEN:

650 BAY LIMITED PARTNERSHIP and 650 BAY GP INC.

Claimants

and

9329293 CANADA INC. and EVAN KARRAS

Respondents

MINUTES OF SETTLEMENT

WHEREAS 650 Bay Limited Partnership (“**650 Bay LP**”) and its General Partner, 650 Bay GP Inc. (“**650 Bay GP**”), have commenced arbitration proceedings (the “**Arbitration**”) against 9329293 Canada Inc. (“**932 Canada**”), a Limited Partner in 650 Bay LP, and Evan Karras (“**Karras**”), the Principal of 932 Canada;

AND WHEREAS 650 Bay GP Inc. (“**650 Bay GP**”), as General Partner of 650 Bay LP, and, *inter alia*, 9329293 Canada Inc. (“**932 Canada**”), as a Limited Partner in 650 Bay LP, and Evan Karras (“**Karras**”), as Principal of 932 Canada, have entered into an Amended and Restated Limited Partnership Agreement, dated as of July 29, 2016 (the “**650 Bay LP Agreement**”);

AND WHEREAS 932 Canada is the beneficial owner of one limited partnership unit (an “**LP Unit**”) out of a total of 6,501 issued and outstanding LP Units in 650 Bay LP, which sole LP unit is held by 2220277 Ontario Inc. (“**222 Ontario**”) as bare trustee and nominee for 932 Canada;

AND WHEREAS A. Farber & Partners Inc. (the “**Receiver**”) has been appointed receiver of all of the assets, undertakings and properties of 222 Ontario by order of the Superior Court of Justice of Ontario;

AND WHEREAS the Claimant, 650 Bay LP, is the sole beneficial owner of properties municipally known as 57 Elm Street (“**57 Elm**”), 59 Elm Street (“**59 Elm**”) and 61 Elm Street (“**61 Elm**”), all in the City of Toronto, in the Province of Ontario (collectively, the “**Elm Street Properties**”);

AND WHEREAS title to 57 Elm is registered and held by 57 Elm HoldCo Inc. (“**57 ElmCo**”), title to 59 Elm is registered and held by 59 Elm HoldCo Inc. (“**59 ElmCo**”) and title to 61 Elm is registered and held by 61 Elm HoldCo Inc. (“**61 ElmCo**”);

AND WHEREAS the Claimant, 650 Bay GP, is the sole shareholder of each of 57 ElmCo, 59 ElmCo and 61 ElmCo (collectively, the “**Nominees**”), which corporations are the registered title holders to the Elm Street Properties as nominee and bare trustee for the Claimant, 650 Bay LP;

AND WHEREAS the Claimants and the Respondents have agreed to settle and to resolve all issues which were, or which could have been, raised in the Arbitration and all other issues which were, are or could be in dispute between them;

NOW THEREFORE, in consideration of the mutual promises exchanged below and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties hereby agree as follows:

1. The Claimant, 650 Bay LP, shall pay the sum of \$300,000 (the “**Settlement Funds**”) to the Respondent, 932 Canada, or as it may direct in writing, payable in two installments and subject to the following conditions precedent (collectively, the “**Conditions**”):
 - a. The first installment of \$100,000 shall be paid immediately upon the receipt by 650 Bay GP of the assignment and transfer form signed by the Receiver in respect to the LP Unit (the “**First Condition**”) in accordance with the direction set out in paragraph 4 below (the “**Unit Transfer**”); and
 - b. The second installment of \$200,000 shall be paid immediately after both the Unit

Transfer and the closing of the acquisition by 650 Bay Holdco Inc., or by such other entity as 650 Bay Holdco Inc. may direct in writing, of all the assets, undertakings and property of 222 Ontario, including property municipally known as 55 Elm Street/650 Bay Street, in the City of Toronto, in the Province of Ontario (the “**Property**”), pursuant to the Approval and Vesting Order of the Honourable Justice Hainey, dated January 29, 2018 (the “**Closing**”).

2. The Settlement Funds shall be held in trust and released as follows:
 - a. The first installment of \$100,000 of the Settlement Funds shall be held in trust by counsel for 932 Canada and shall be released to 932 Canada upon the satisfaction of the First Condition or shall be released to 650 Bay GP upon the failure or frustration of the First Condition; and
 - b. The second installment of \$200,000 of the Settlement Funds shall be held in trust by counsel for 650 Bay GP and shall be released to 932 Canada upon the satisfaction of the Conditions or shall be released to 650 Bay GP upon the failure or frustration of those Conditions.
3. For clarity, these Minutes of Settlement are and remain binding on all parties hereto notwithstanding the non-payment of the Settlement Funds resulting from the failure or frustration of the Conditions.
4. The Respondents shall direct and authorize 222 Ontario, in writing, to transfer the LP Unit to 650 Bay GP, or as 650 Bay GP may direct, and shall provide that direction and authorization (the “**Direction**”) to 650 Bay GP on or before 5:00 p.m. on Friday, February 9, 2018.
5. The Respondents, 932 Canada and Karras, their officers, directors, shareholders and any related entities, shall:
 - a. Consent to the refinancing and/or mortgaging of the Elm Street Properties and the Property by 650 Bay LP, 650 Bay Holdco Inc., or any related entity, and shall further consent to any other action reasonably necessary for the Closing; and

- b. Upon payment of the second installment of the Settlement Funds, shall acknowledge and agree that they have no interest, whether directly or indirectly, beneficially or otherwise, in 650 Bay LP, or in any assets, business or affairs of 650 Bay LP, including, but not limited to, the Elm Street Properties, the Nominees and the Property.
6. The Arbitration shall be terminated, on consent and without costs, upon the payment of the Settlement Funds and the delivery of the Direction.
7. The Claimants and Respondents shall exchange full and final mutual releases, in a form acceptable to counsel, of all matters arising on or before the date of the releases or which were, or which could have been, raised in the within arbitration, including all matters arising from, or in any way related to, the 650 Bay LP Agreement, the Elm Street Properties, the 650 Bay Street Property, and all documents included by reference therein, which mutual release shall include Karras, 932 Canada, 650 Bay LP, 650 Bay GP, 650 Bay Lalu LP Holdings Inc., Lalu Canada Inc. (“**Lalu**”), 650 Bay Holdco Inc., the Nominees and their associated and affiliated entities, successors, heirs, assigns, executors, shareholders, officers, employees, directors, agents and representatives.
8. Mutual releases shall be held in escrow by counsel for the respective parties until the second installment of the Settlement Funds has been received by 932 Canada and the Direction has been received by 650 Bay GP.
9. These Minutes shall be binding upon and shall accrue to the benefit of the Claimants and Respondents and their associated and affiliated entities, successors, heirs, assigns, executors, shareholders, officers, employees, directors, agents and representatives.
10. The Parties agree that they have not and shall not assign, or otherwise transfer, any claims, demands, actions, suits, debts, liens, contracts or damages that are to be released pursuant to these Minutes of Settlement.
11. The Respondents agree and undertake not to take any steps that will, or are reasonably likely to, interfere with the development of the Elm Street Properties and/or the Property by 650 Bay LP, or for its benefit, including, but not limited to, making submissions to any

governmental or regulatory authority contrary to the interests of 650 Bay LP or Lalu.


12. The Parties agrees not to, directly or indirectly, engage in, permit or authorize any conduct or pattern of conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumours, allegations, negative reports or comments) which are disparaging, deleterious or damaging to the integrity, reputation or goodwill of any other Party, its Affiliates or its or their businesses, which includes any of their respective shareholders, directors, officers, employees, agents and representatives for purposes of this provision.
13. The Parties each agree to act in good faith and to take all reasonable steps and execute any documents that may reasonably be necessary to give effect to the terms and to the intent of these Minutes of Settlement.
14. The parties hereto each represent that they are each authorized to enter into these Minutes of Settlement and to carry out the obligations set out herein.
15. The parties hereto each acknowledge that they have had the benefit and advice of legal counsel in connection with these Minutes of Settlement or otherwise that they have been advised to obtain independent legal advice before executing these Minutes of Settlement.
16. These Minutes of Settlement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

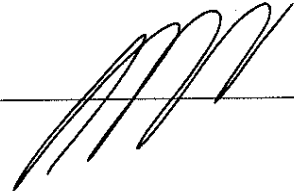
IN WITNESS WHEREOF, the Parties have executed and delivered these Minutes of Settlement as of the date first set forth below.

DATED at Toronto, this 14th day of February, 2018

EVAN KARRAS

Witness

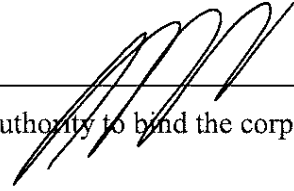




9329293 CANADA INC.

c/s _____

I have authority to bind the corporation

A handwritten signature in black ink, consisting of several overlapping loops and strokes, positioned over the signature line.

650 BAY LIMITED PARTNERSHIP

c/s _____

I have authority to bind the corporation

650 BAY GP INC.

c/s _____

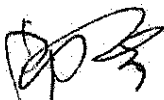
I have authority to bind the corporation

9329293 CANADA INC.

c/s _____

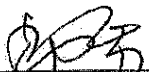
I have authority to bind the corporation

650 BAY LIMITED PARTNERSHIP

c/s _____


I have authority to bind the corporation

650 BAY GP INC.

c/s _____


I have authority to bind the corporation

APPENDIX “P”
TO THE FIFTEENTH REPORT OF
THE RECEIVER

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

BETWEEN:

ZAHERALI VISRAM

Applicant

- and -

2220277 ONTARIO INC.

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**TWELFTH REPORT TO THE COURT OF A. FARBER & PARTNERS INC. IN ITS
CAPACITY AS COURT APPOINTED RECEIVER OF 2220277 ONTARIO INC.**

November 19, 2018

A. GENERAL BACKGROUND

1. On August 1, 2017, pursuant to an order (the “**Receivership Order**”) of this Honourable Court (the “**Court**”), A. Farber & Partners Inc. was appointed receiver (the “**Receiver**”), pursuant to section 243(1) of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”) and Section 101 of the *Courts of Justice Act*, R.S.O. 1990 over all of the assets, undertakings and properties (the “**Property**”) of 2220277 Ontario Inc. (the “**Debtor**”). A copy of the Receivership Order is attached hereto as Appendix “A”.
2. The Debtor is a corporation incorporated pursuant to the laws of the Province of Ontario. Evan Karras (“**Karras**”) is the sole director, (unpaid) employee and allegedly a shareholder of the Debtor.

3. The Property includes, without limitation, the real property municipally known as 650 Bay Street and 55 Elm Street located in Toronto, Ontario (the “**Real Property**”). The Debtor acquired the Real Property on November 13, 2009.
4. The Debtor has multiple secured and unsecured creditors. As such, there are various stakeholders who have an interest in the Debtor’s estate. Eight parties hold mortgages/charges registered against the Real Property with a total face value of approximately \$13.25 million (additional amounts are alleged to be secured by the mortgages increasing the total indebtedness to approximately \$15 to \$20 million). There are also various PPSA registrations against the Debtor (separate from the real property mortgages), source deduction amounts owing to the Canada Revenue Agency, property taxes outstanding to the City of Toronto, and unsecured creditors.

B. PURPOSE OF THE REPORT

5. The purpose of this Report is the Twelfth Report to the Court of A. Farber & Partners Inc., dated November 19, 2018 (the “**Twelfth Report**”), is to respond to the Cross-Motion brought by 650 Bay Limited Partnership (the “**Partnership**”), its general partner, 650 Bay GP Inc. (the “**General Partner**”) and its limited partner 650 Bay Lalu LP Holdings Inc. (the “**Limited Partner**”), returnable November 22, 2018.

C. DISCLAIMER

6. In preparing this Twelfth Report the Receiver has relied upon unaudited, draft and/or internal financial and other information provided by the sole director and officer of the Debtor, its advisors, and other third-party sources. The Receiver has not independently reviewed or verified such information. The Receiver has prepared this Twelfth Report for the sole use of the Court and of the other stakeholders in these proceedings.

D. STALKING HORSE TRANSACTION

7. Pursuant to the Order of the Honourable Justice McEwan, dated November 2, 2017 (the “**Stalking Horse Order**”), this Honourable Court approved a stalking horse sale process in respect of the Real Property and an Agreement of Purchase and Sale, dated October 3, 2017 (the “**Purchase Agreement**”), between the Receiver and 650 Bay Holdco Inc. (the

“**Stalking Horse Bidder**”). A copy of the Purchase Agreement is attached hereto as Appendix “B”.

8. The Receiver implemented the Stalking Horse Sale Process in accordance with the Stalking Horse Process Order. No qualified bids, other than the Purchase Agreement, were received. After the expiry of the Stalking Horse Sale Process, the Receiver executed the Purchase Agreement on January 10, 2018. The only condition precedent to complete the Transaction was to obtain an approval and vesting order (“**AVO**”).
9. The Honourable Justice Hainey granted the AVO on January 29, 2018. A copy of the AVO is attached hereto as Appendix “C”.
10. The Transaction was originally scheduled to close on February 9, 2018, however, the Purchaser requested an extension of the Closing Date (as defined in the Purchase Agreement) to February 28, 2018. The Purchaser advised the Receiver that a month-end closing would simplify its accounting. The Receiver acquiesced, via email, to the Purchaser’s extension request.
11. Although the Purchase Agreement was not subject to any financing conditions, the Purchaser subsequently requested an additional extension of the Closing Date to March 16, 2018, due to its inability to obtain financing to close the Transaction. The Receiver agreed to the request, on certain terms, including a \$300,000 deposit increase and payment of a \$25,000 extension fee.
12. The Purchaser paid the additional deposit and extension fee to the Receiver on March 1, 2018, and the Receiver worked towards a Closing Date of March 16, 2018.

E. MINUTES OF SETTLEMENT

13. In advance of the closing of the Purchase Agreement, the Stalking Horse Bidder wrote to the Receiver requesting that the Receiver execute an assignment (the “**Assignment**”) providing for the transfer of a limited partnership unit (the “**LP Unit**”) in the Partnership to a related party assignee. Based on the documentation provided to the Receiver by the

Stalking Horse Bidder, the Debtor appeared to hold the LP Unit as nominee of 9329293 Canada Inc. ("**932 Canada**").

14. The Partnership beneficially owns the real properties on Elm Street abutting the Real Property. The General Partner is an affiliate of the Purchaser. Lei Guo is a director of each of the Purchaser and the Limited Partner. Copies of the Corporate Profile Reports for each of the Purchaser and the Limited Partner are attached hereto as Appendix "D".
15. Karras is the sole director and officer of 932 Canada.
16. The Purchaser's request arose as a result of Minutes of Settlement, dated February 14, 2018 (the "**Minutes of Settlement**"), executed by Karras, 932 Canada, the Partnership and the General Partner. The Receiver was not a party to the Minutes of Settlement and did not participate in their negotiation. The Minutes of Settlement contemplate, among other things, the transfer of the LP Unit to an affiliate of the Purchaser and the payment of \$300,000 (in two installments) to 932 Canada. A copy of the Minutes of Settlement is attached as Exhibit "F" to the Affidavit of Caitlin Barker, sworn August 31, 2018 (the "**Barker Affidavit**").
17. Although the Purchase Agreement did not contain any conditions, on February 9, 2018, the Stalking Horse Bidder advised the Receiver that the transfer of the LP Unit was a necessary condition to close its acquisition financing for the Real Property. Due to the absence of books and records to support the entitlement to the LP Unit, the Receiver was unable to determine what, if any, interest the Debtor had in the LP Unit and the \$300,000 payment.
18. The Receivers' concerns with respect to the Assignment and the transfer of the LP Unit were detailed in the Receiver's Seventh Report to the Court, dated March 5, 2018, a copy of which is attached hereto as Appendix "E".
19. The Receiver did not wish to impede the sale of the Real Property to the Stalking Horse Bidder. Pursuant to the Endorsement of the Honourable Justice Dunphy, dated March 6, 2018 (the "**Endorsement**"), and on the consent of the parties, the Receiver executed the Assignment providing for the transfer of the LP Unit. The \$300,000 settlement payment was divided as follows: (a) \$100,000 was paid to 932 Canada; and (b) the remaining

\$200,000 (the “**Trust Funds**”) were paid to Goldman Hine LLP, in trust. A copy of the Endorsement is attached as Exhibit “G” to the Barker Affidavit.

F. TERMINATION OF THE PURCHASE AGREEMENT

20. On March 6, 2018, at the time of its execution of the Assignment, the Receiver understood that the transfer of the LP Unit was the only outstanding condition to the Purchaser’s acquisition financing.
21. In the afternoon of March 15, 2018, the day before the scheduled Closing Date, the Purchaser requested a one month extension of the Closing Date, to April 16, 2018. Ultimately the parties agreed to a one-week extension of the Closing Date, conditional on the payment of a \$40,000 extension fee to cover the carrying costs of the Real Property and an additional deposit of \$300,000.
22. The Purchaser paid the \$40,000 extension fee as required, but failed to pay the additional \$300,000 deposit. The Purchaser’s counsel notified the Receiver’s counsel that the additional deposit was not going to be paid and no reason was given for the Purchaser’s failure to pay same. After expiry of the 5:00 p.m. payment deadline, the Receiver terminated the Purchase Agreement and gave notice to the Purchaser that its deposit was forfeited. A copy of the letter from the Receiver’s counsel is attached as Exhibit “H” to the Barker Affidavit.

G. TRUST FUNDS

23. The Receiver was ready, willing and able to the close the transaction contemplated by the Purchase Agreement on the Closing Date. The Purchaser is entirely at fault for failing to meet the agreed conditions for the third requested extension and ultimately walking away from the transaction.
24. The Partnership, along with the Limited Partner and General Partner, have brought a motion seeking to have the Trust Funds paid to them. As noted above, the Partnership and the Purchaser are related parties.

25. At the original hearing scheduling the Cross-Motion, Karras, who was represented by counsel, asserted that he intended to oppose the Partnership's claim to the Trust Funds.
26. By email, dated September 16, 2018, Karras' counsel advised the service list that Karras disputed the Partnership's claim to the Trust Funds. Specifically, he noted that Mr. Hine's clients should not benefit from their own breach of the Purchase Agreement. A copy of the email from Wojtek Jaskiewicz, dated September 16, 2018, is attached hereto as Appendix "F".
27. In the Receiver's view, the Partnership should not benefit from its breach of the Purchase Agreement and the Trust Funds should be paid to the Receiver, in trust, pending a determination of the respective entitlements of the Debtor and 932 Canada to the funds.
28. The Receiver is aware of, and has reported to this Court in respect of, instances in which Karras disregarded that the various corporate entities which he controls are legally separate. Karras has, from time to time, allocated or diverted receipts and disbursements amongst those entities without discretion to the detriment of the Debtor's estate. In such circumstances, any payment to any company Karras controls will result in further prejudice to the Debtor's various creditors.
29. Based on the Receiver's review of the Debtor's limited books and records and the documentation provided to the Receiver to date, Karras and his companies, at a minimum, are indebted to the Debtor's estate in the following amounts:
 - (a) \$810,034 of insurance proceeds that were paid by Intact Insurance Company in respect of the Real Property and the Debtor's business interruption losses and never deposited into the Debtor's account; and
 - (b) \$211,582.43 of rent for the pre-receivership period owing by bE SixFifty Hotel Inc., a related party that operated the hotel at the Real Property at the time of the Receiver's appointment.
30. Karras has a history of being uncooperative throughout these proceedings. Most recently, the Receiver has scheduled a motion, returnable November 29, 2018, seeking to hold

Karras in contempt for breach of the Order of the Honourable Justice Penny, dated September 20, 2018 (the “**September 20 Order**”). The September Order requires Karras to deliver an accounting in respect of the \$810,034 insurance proceeds and disgorge all such funds that were paid in respect of the Debtor’s building claim and interruption losses. Without the accounting, the Receiver cannot make a final determination as to the Debtor’s entitlement to such funds. A copy of the Receiver’s Eleventh Report to the Court, dated October 23, 2018, filed by the Receiver for the purposes of scheduling the contempt motion, is attached hereto as Appendix “G” (without appendices).

31. As Karras has not filed any materials, and it is unclear if he will proceed to oppose the Cross-Motion at its return date, the Receiver is filing this Twelfth Report to assist the Court and protect the interest of the Debtor’s estate in the Trust Funds.
32. In the Receiver’s view, it would be inequitable for the Purchaser to benefit from its own breach of the Purchase Agreement by obtaining the Trust Funds. The Receiver acted in good faith in executing the Assignment and consenting to the payment of the initial \$100,000 to Karras. Accordingly, in the circumstances, the Partnership should have no entitlement to the Trust Funds and instead the Trust Funds should be paid to the Receiver, in trust.

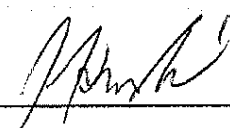
H. RECOMMENDATIONS

33. The Receiver requests that the Trust Funds be paid to the Receiver, in trust, pending the determination of the respective entitlements of the Debtor and 932 Canada to the funds.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED
THIS 19th DAY OF NOVEMBER, 2018.**

**A. Farber & Partners Inc. in its capacity
as Court-appointed Receiver of 2220277 Ontario Inc.
and not in its personal or corporate capacity**

Per: _____


Name: John Hendriks
Title: Managing Director

ZAHERALI VISRAM
Applicant

- and -

2220277 ONTARIO INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

TWELFTH REPORT OF A. FARBER & PARTNERS
INC. IN ITS CAPACITY AS COURT APPOINTED
RECEIVER OF 2220277 ONTARIO INC.

DENTONS CANADA LLP
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*Lawyers for A. Farber & Partners Inc., Court Appointed
Receiver of 2220277 Ontario Inc.*

APPENDIX “Q”
TO THE FIFTEENTH REPORT OF
THE RECEIVER

LEASE

THIS LEASE made as of the 27th day of July, 2016;

BETWEEN:

2220277 ONTARIO INC.

(the "Landlord")

- and -

bE SixFifty Hotel Inc.

(the "Tenant")

ARTICLE 1 – INTERPRETATION

1.01 DEFINITIONS

In this Lease, unless otherwise stated, the following terms shall have the following meanings:

"Additional Rent" means the Tenant's contribution to Operating Costs, the Residential Portion of Property Taxes, payments for Services, and all other amounts, and Rental Taxes, excluding Minimum Rent, payable by the Tenant in accordance with the terms of this Lease, whether to the Landlord or otherwise;

"Buildings" means all buildings on the Lands and all improvements thereon and thereto and all fixtures and equipment (whether chattels or fixtures) (but not including tenants' fixtures, improvements or chattels).

"Building Systems" means: (i) the heating, ventilating and air-conditioning equipment and facilities and all other systems, services, installations and facilities from time to time installed in or servicing the Leased Premises (or any portion thereof) including, but not limited to, the elevators and escalators and the following systems, services, installations and facilities: mechanical (including plumbing, sprinkler, drainage and sewage), electrical and other utilities, lighting, sprinkler, life safety (including fire prevention, communications, security and surveillance), computer (including environmental, security and lighting control), ice and snow melting, refuse removal, window washing, and music; and (ii) all machinery, appliances, equipment, apparatus, components, computer software and appurtenances forming part of or used for or in connection with any of such systems, services, installations and facilities including, but not limited to, boilers, motors, generators, fans, pumps, pipes, conduits, ducts, valves, wiring, meters and controls, and the structures and shafts housing and enclosing any of them;

"Capital Repairs" means repairs to and replacements of structural components of the Leased Premises, which structural components consist of the foundations, footings, roof, roof membrane, walls, floors, subfloors, columns, joists, beams, pipes, wires, sewers, water and gas mains, HVAC, electrical and mechanical systems, load bearing structures and other repairs and maintenance expenses that are capitalized in accordance with generally accepted accounting principles.

"Commencement Date" means the date first set forth above.

"Environmental Laws" means all applicable Laws now or hereinafter in existence relating to the natural environment and public health and safety, worker health and safety, exposure to Hazardous Substances, or to protection and preservation of the natural environment, including surface or ground water, drinking water supply, soil, surface or subsurface strata or medium, or ambient air, including, but not limited to: (i) those

relating to the presence, use, production, reporting, licensing, generation, handling, transport, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, emission, release, threatened release, control or cleanup of, remedial action, or exposure to, any Hazardous Substance; and (ii) those relating to the transfer of any assets or to any business engaged in the use, production, handling or generation of Hazardous Substances.

“Hazardous Substances” means any contaminants, pollutants, substances or materials that, when released into the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, including such contaminants, pollutants, substances or materials as are prohibited, controlled or regulated by any Regulatory Authority and any “contaminants”, “dangerous substances”, “hazardous materials”, “hazardous substances”, “hazardous wastes”, “industrial wastes”, “liquid wastes”, “pollutants” and “toxic substances”, all as defined in, referred to or contemplated in any Environmental Laws.

“Initial Term” means the period described in Section 3.01 herein.

“Lands” means the lands municipally known as 55 Elm Street, Toronto, Ontario M5G 1H3 and 650 Bay Street, Toronto, Ontario M5G 1M8.

“Laws” means all laws, by-laws, statutes, regulations, codes, orders, standards, rules, policies, ordinances, directions or enactments of any applicable Regulatory Authority, now or hereafter in force, including the principles of common law and equity and includes Environmental Laws.

“Leased Premises” means, collectively, the 2nd and 3rd floors, the basement level storage areas and the roof, in the Lands, the Buildings and all access rights and/or easements on other lands (if any) which service and provide access to the Lands.

“Lease” means this Lease and all Schedules attached hereto.

“Minimum Rent” means the rent specified in Section 4.01 herein.

“Operating Costs” means, for any period, the total of all costs and expenses attributable to the maintenance, repair, replacement, administration, management and operation of the Leased Premises (including the common areas) during such period including, without limiting the generality of the foregoing: (a) all charges for utilities and similar services to the Leased Premises including, without limiting the generality of the foregoing, water, gas, heat, electrical power or energy, steam or hot water used upon or in respect of the Leased Premises and for fittings, machinery, apparatus, meters, or other things leased in respect thereof and for all work or services performed by any corporation or commission in connection with such public utilities and similar Services; (b) all costs incurred by the Landlord in connection with the maintenance, repair, replacement and operation of the Leased Premises (including all Services, equipment, common areas and other fixtures and appurtenances) and every part thereof, and of complying with all applicable Laws including, without limiting the generality of the foregoing, the cost of providing garbage removal and maintenance services, the cost of heating and cooling and ventilating the Leased Premises and the cost of maintaining, repairing and replacing all Building Systems, the cost of window cleaning, and any and all other costs incurred by the Landlord in connection with the maintenance, repair and operation of the Leased Premises; (c) the cost of providing security, supervision, landscaping, window cleaning, waste collection, disposal and recycling, and snow removal services, and the costs of machinery, supplies, tools, equipment and materials used in connection with such services or any rentals thereof, and the amount of salaries, wages and fringe benefits paid to employees engaged in the maintenance or operation of the Leased Premises and amounts paid to independent contractors for any services in connection with such maintenance or operation; (d) the cost of direct supervision and management and indirect expenses, to the extent applicable to the maintenance and operation of the Leased Premises, and all expenses of every nature incurred in connection with the management, maintenance and operation of the common areas; (e) the cost of insuring the Leased Premises; (f) an administrative fee not greater than fifteen percent (5%) of the aggregate of all Operating Costs; provided that Operating Costs shall exclude: (a) all such costs determined by separate metering or

assessment, or otherwise incurred for the exclusive benefit of the premises leased by the Tenant or any other tenant of the Leased Premises and billed to and paid for directly by the Tenant or such other tenant, including charges to tenants for above-normal utilization of utilities; and (b) taxes upon the income of the Landlord;

“Property Taxes” means all real property taxes related to the Residential Portion of the Property Taxes assessed, local improvement and school taxes, rates, duties, charges, levies and assessments, whether general or special, charged, assessed or levied by any Regulatory Authority in respect of the Leased Premises, and any taxes payable by the Landlord which are imposed in lieu of, or in addition to, any such real Property Taxes, whether of the foregoing character or not, and whether or not in existence at the commencement of the Term, and any such real Property Taxes levied or assessed against the Landlord on account of its ownership of the Leased Premises or its interest therein, but specifically excluding any taxes assessed upon the income of the Landlord;

“Regulatory Authority” means any federal, provincial or municipal government, and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government.

“Renewal Term” means the period described in Section 3.01 herein.

“Rent” means all Minimum Rent and Additional Rent;

“Rental Taxes” means any and all taxes or duties imposed upon the Landlord or the Tenant measured by or based in whole or in part upon the Rent payable under the Lease, whether existing at the date hereof or hereinafter imposed by any Regulatory Authority, including, without limitation, goods and services tax, harmonized sales tax, value added tax, business transfer tax, retail sales tax, federal sales tax, excise taxes or duties, or any tax similar to any of the foregoing.

“Rules and Regulations” means the rules and regulations promulgated by the Landlord from time to time pursuant to the terms of this Lease;

“Services” means all water mains, sanitary sewers, storm sewers, electrical and gas lines, cable, internet and other utilities servicing the Leased Premises.

“Term” means the period described in Section 3.01 herein.

“Transfer” means a direct or indirect assignment of this Lease in whole or in part, a sublease of all or any part of the Leased Premises, any transaction whereby the rights of the Tenant under this Lease or to the Premises are directly or indirectly transferred to another person, any transaction by which any right of use or occupancy of all or any part of the Leased Premises is shared with or conferred upon any person, any mortgage, charge or encumbrance of this Lease or the Leased Premises or any part thereof, any change of effective control of the Tenant or any transaction or occurrence whatsoever which has changed or will change the identity or control of the person having lawful use or occupancy of any part of the Leased Premises.

ARTICLE 2 – DEMISE

2.01 DEMISE

In consideration of the rents, covenants, conditions and agreements hereinafter respectively reserved and contained, the Landlord hereby demises unto and leases to the Tenant, and the Tenant hereby leases from the Landlord, for the Term and upon the terms and conditions contained herein, the Leased Premises.

ARTICLE 3 – TERM AND RENEWAL

3.01 TERM

The Term of this Lease shall be five (5) years, commencing on the Commencement Date and terminating on the expiry of the five (5) year term (the "**Initial Term**") provided that, unless terminated by written notice given by either the Tenant or the Landlord prior to the date that is 60 days prior to the end of the Initial Term or the then current Renewal Term, this Lease shall automatically renew on a month to month basis (each a "**Renewal Term**", and together with the Initial Term, the "**Term**"). The Minimum Rent for each Renewal Term shall be mutually agreed upon, provided that it shall not be less than the Minimum Rent as at the end of the then current Term. In the event that the Landlord and the Tenant cannot agree on the Minimum Rent for a renewal/extension period at least two months prior to the commencement of such renewal/extension period, then subject to the foregoing, the Minimum Rent for such renewal/extension period shall be equal to the then current fair market rental rate for renewing tenants in similar premises in the Toronto, Ontario area for a similar term as determined by arbitration in accordance with the *Arbitration Act* (Ontario) or any successor or replacement legislation.

3.02 PARTIAL MONTHS

If the Term commences on any day other than the first day, or ends on any day other than the last day, of any calendar month, Minimum Rent, Additional Rent and Operating Costs and any other amounts required to be paid pursuant to this Lease for the fraction of such month shall be adjusted on a *per diem* basis for such month.

3.03 RENEWAL

The parties hereto may elect to extend this Agreement upon such terms and conditions as may be agreed upon in writing and signed by the parties at the time of any such extension.

ARTICLE 4 – RENT

4.01 RENT

The Tenant covenants to pay Rent as provided in this Lease. It is the intention of the parties that the Rent provided to be paid shall be net to the Landlord and clear of all taxes, costs and charges arising from or relating to the Leased Premises and that the Tenant shall pay as Additional Rent all charges, impositions and expenses relating to the Leased Premises, but specifically only including portion of exterior lighting, snow removal/maintenance, insurance and a pro rated portion of the residential component of Property Taxes (except the Landlord's income taxes, and except as otherwise specifically provided) in the manner hereinafter provided, and the Tenant hereby covenants with the Landlord accordingly. The Landlord may at any time, and from time to time, require the Tenant to provide to the Landlord either: (a) a series of monthly post-dated cheques, each cheque in the amount of the monthly installment of Rent; or (b) authorization and documentation required to automatically debit the Tenant's bank account for such amounts. In the event of any change in the estimates of Additional Rent, the Landlord may require a new series of monthly post-dated cheques or new documentation (as applicable) for automatic withdrawal. A late fee in the amount of One Hundred Dollars (\$100.00) shall be assessed if payment is not received by the Landlord on or before the 3rd day of each and every month. If the Tenant fails to pay its Rent by the third day of the month, interest shall also accrue at the the prime commercial lending rate of the bank of the Tenant plus five percent (5%) per month (calculated daily) such interest to be calculated from the time such Rent became due until paid by the

Tenant.

4.02 MINIMUM RENT

The Tenant covenants and agrees to pay, from and after the Commencement Date, to the Landlord at the office of the Landlord, or to such other person or at such other location as the Landlord shall direct by notice in writing, in lawful money of Canada, without any prior demand therefore and without any deduction, abatement or set-off whatsoever as annual Minimum Rent the amount of \$158,400.00, payable in equal monthly installments in advance on the first day of each and every month during the Term (pro rata for partial periods), in the amount of \$13,200.00 plus HST.

There shall be a rent increase of 2% per annum after the second (2nd) year.

4.03 ADDITIONAL RENT

In addition to the Minimum Rent reserved in favour of the Landlord, the Tenant shall, throughout the Term, pay to the Landlord in lawful money of Canada, without any deduction, abatement or set-off whatsoever, as Additional Rent, the following costs:

- (a) Operating Costs pro rated for the 2nd and 3rd floor of the premises;
- (b) any and all costs relating to the Leased Premises that would otherwise be included in Operating Costs but are determined by separate metering or assessment of the Leased Premises;
- (c) pro rated Residential portion of Realty Taxes levied, rated, charged or assessed on or in relation to the Leased Premises; and
- (d) all other sums, amounts, costs, cost escalations and charges specified in this Lease to be payable by the Tenant.

All of the payments set out in this Lease (other than Rental Taxes) shall constitute Minimum Rent or Additional Rent, and shall be deemed to be and shall be paid as Rent, whether or not any payment is payable to the Landlord or otherwise, and whether or not as compensation to the Landlord for expenses to which it has been put. The Additional Rent is estimated to be \$3.50 per square foot for a total of \$12,320 per annum plus HST, payable in equal monthly installments in advance on the first day of each and every month during the Term (pro rata for partial periods), in the amount of \$1,026.66.

The Minimum Rent and the Additional Rent is currently \$14,226.66 monthly plus HST for a total of \$16,076.12.

RENTAL TAXES

The Tenant will pay to the Landlord the Rental Taxes assessed upon: (a) the Rent; (b) the Landlord; and/or (c) the Tenant pursuant to the laws, rules and regulations governing the administration of the Rental Taxes by the Regulatory Authority having jurisdiction, and as such may be amended from time to time during the Term of this Lease or any extension thereof. The Rental Taxes shall not be deemed to be Additional Rent under this Lease, but may be recovered by the Landlord as though they were Additional Rent.

4.04 Operating Costs and Realty Taxes

Prior to the commencement of each Term, the Landlord shall estimate the amount of Operating Costs and Realty Taxes and other recurring Additional Rent payable by the Tenant for such Term and notify the Tenant in writing of such estimate, providing reasonable detail as to the breakdown and calculation thereof. The amount so estimated shall be payable in equal monthly installments, in advance, on the first day of each and every month over the Term in question. From time to time during the Term, the Landlord may re-estimate the amounts payable for such Term, in which event the Landlord shall notify the Tenant in writing of such re-estimate, providing reasonable details as to the breakdown and calculation thereof, and fix monthly installments for the remaining balance of such Term such that, after giving credit for installments paid by the Tenant on the basis of the previous estimate or estimates, all Operating Costs, based upon the most recent estimate by the Landlord, will have been paid upon the expiration of such Term. The Tenant shall pay to the Landlord as Additional Rent, one-twelfth of such estimated payments in advance during such period together with the monthly instalments of Minimum Rent.

4.05 Annual Readjustment of Additional Rent

Within 60 days after the end of the Term for which the Landlord has estimated the Operating Costs, the Landlord shall deliver a statement (the "Statement") to the Tenant setting out in detail all costs included in the Landlord's Operating Costs during such period (as well as the Realty Taxes payable for such period and any other amounts estimated by the Landlord for such period) and if necessary, an adjustment will be made between the parties, as follows: (a) if the Tenant has paid more than the amount actually payable by it (the difference being called the "Excess"), then the Excess will be applied by the Landlord against the next succeeding instalments of Rent. If there is any Excess for the last year of the Term, the Excess will be refunded by the Landlord to the Tenant at the time the Statement for the last year of the Term is to be given; or (b) if the Tenant has paid less than the amount actually payable by it (the difference being called the "Deficiency"), the Tenant shall pay the Deficiency to the Landlord within 30 days of receiving the Statement from the Landlord. The Landlord may not issue any subsequent statements in respect of a fiscal period to which a Statement relates following the issuance of a Statement except in the case of (a) any typographical error or computational error evident on the face of the Statement and (b) any reassessment of the Realty Taxes for the Lands, in which cases the Landlord shall issue a revised Statement on account of the applicable period and the parties shall make any necessary readjustments on account of the amount payable by the Tenant in respect of the Leased Premises for such period within 30 days following the Tenants receipt of the revised Statement, together with a copy of the reassessment. If requested by the Tenant, the Landlord shall provide copies of receipts of all Operating Costs to the Tenant. If there is any disagreement between the Landlord and the Tenant regarding the calculation of the Operating Costs then such disagreement shall be decided by arbitration pursuant to the Arbitration Act of Ontario, as amended from time to time.

4.06 Overholding

If, at the expiration of the Initial Term or any subsequent Renewal Term, the Tenant shall continue to occupy the Leased Premises without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Tenant thereafter shall be from month to month only, and may be terminated by either party on one (1) month's notice. Rent shall be payable in advance on the first day of each month equal to the sum of one hundred and fifty percent (100%) of the monthly installment of Minimum Rent payable during the last year of the Term (plus Additional Rent based on the current period) and otherwise on the same terms and conditions of this Lease which shall, so far as applicable (but specifically excluding any right to renew or extend), apply to such monthly tenancy.

ARTICLE 5 – USE

5.01 USE OF THE LEASED PREMISES

The Leased Premises may be used occupied and used by the Tenant solely for the purpose of operating a Hotel and restaurant and café with food and alcohol service and any other lawful use ancillary thereto, without the Landlord's prior written approval.

5.02 RESTRICTIONS

The Tenant shall not do or permit to be done at the Leased Premises anything which may:

- (a) constitute a nuisance;
- (b) cause damage to the Leased Premises or suffer any waste, damage, disfiguration or injury to the Leased Premises, nor permit or suffer any overloading of the floors, roof deck, walls or any other part of the Leased Premises, and shall not use or permit to be used any part of the Leased Premises for any illegal or unlawful purpose or any dangerous, noxious or offensive trade or business, and shall not cause or permit any nuisance in, at or on the Leased Premises;
- (c) cause injury or annoyance to occupants of the Building or neighbouring premises;
- (d) make void any insurance in effect at the Buildings;
- (e) constitute a breach of any applicable Law; and
- (f) comply, and cause all persons visiting or doing business with Tenant on the Leased Premises to comply, with all Rules and Regulations made by the Landlord from time to time and of which notice in writing shall be given to the Tenant. All such Rules and Regulations shall be deemed to be incorporated into and form part of this Lease.

5.03 Compliance with Law

The Tenant shall, at its own expense, comply and cause all other persons have business with Tenant to comply, with all Laws affecting the Leased Premises, or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of the fire insurance underwriters. Tenant will comply with all applicable Laws governing the conduct of its business and affairs.

5.04 Surrender of the Leased Premises

At the expiration or earlier termination of this Lease, the Tenant shall peaceably surrender and give up unto the Landlord vacant possession of the Leased Premises in substantially the same condition and state of repair as the Tenant is required to maintain the Leased Premises throughout the Term and in accordance with its obligations herein, reasonable wear and tear excepted. The Tenant covenants and agrees at the expiration or earlier termination of this Lease at its own expense to remove from the Leased Premises and properly dispose of any hazardous substance and warrants that no such Hazardous Substance shall be left on the Leased Premises. The obligations of the Tenant to remove from the Leased Premises and properly dispose of any Hazardous Substance will survive the expiration or termination of this Lease and will remain in full force and effect for the benefit of the Landlord.

ARTICLE 6 – TENANT'S COVENANTS

The Tenant covenants and agrees with the Landlord as follows:

6.01 NET LEASE

It is the intention of the parties that this Lease shall be a net and totally carefree lease to the Landlord.

6.02 TO PAY RENT, UTILITIES AND OPERATING COSTS

- (a) The Tenant shall pay Rent as provided in Article 4, including Minimum Rent and Additional Rent.
- (b) The Tenant shall pay promptly when due all charges, costs, accounts and any other sums payable by reason of the supply or use of the Services to the Leased Premises. In the event that any of the Services are charged to the Landlord, the costs thereof shall be included in Operating Costs or otherwise paid as Additional Rent and paid by the Tenant.

6.03 TO PROCURE AND LICENSES OR PERMITS

The Tenant is required to procure any licenses or permits required for any use made of the Leased Premises by the Tenant, and upon expiration of this Lease.

6.04 TENANT TAXES

The Tenant shall be liable for all Rental Taxes and other taxes levied against any leasehold interest of the Tenant or personal property and trade fixtures owned or placed by the Tenant in the Leased Premises.

6.05 MAINTENANCE AND REPAIRS BY TENANT

The Landlord, its servants, agents and contractors shall be entitled to enter upon the Leased Premises at any time without notice for the purpose of making emergency repairs, and during normal business hours on reasonable prior written notice, for the purpose of inspecting and making repairs, alterations or improvements to the Leased Premises, or for the purpose of having access to the underfloor ducts, or to access panels to mechanical shafts (which the Tenant agrees not to obstruct). The Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby. The Landlord, its servants, agents and contractors may at any time, and from time to time, on reasonable prior written notice, enter upon the Leased Premises to remove any article or remedy any condition which, in the opinion of the Landlord, would likely lead to the cancellation of any policy of insurance or presents a risk to the health or safety to persons or to damage to property. The Landlord will take reasonable precautions and attempt to schedule such work so as not to unreasonably interfere with the operation of the Tenant's business and to minimize interference with the Tenant's use and enjoyment of the Leased Premises.

The Tenant shall keep the Leased Premises clean of any debris and will repair and maintain the Leased Premises in good order and condition, except for reasonable wear and tear, the repairs required of Landlord pursuant hereto, and maintenance or replacement necessitated as the result of the gross negligence of the Landlord, its employees, agents, or contractors. The Tenant will not install any equipment which would exceed or overload the capacity of the utility facilities in the Leased Premises or the other facilities in the Leased Premises, and agrees that if any equipment installed by the Tenant shall require additional facilities, such facilities shall be installed, if available, and subject to the Landlord's prior written approval thereof (which approval may not be unreasonably withheld), at the Tenant's sole cost and expense in accordance with plans and specifications to be approved in advance by the Landlord, in writing. The Tenant shall, throughout

the Term, operate, maintain, repair, replace and regulate the Building Systems in such a manner as to maintain reasonable conditions of temperature and humidity within the Leased Premises and so as to maintain the Building Systems in a good and working order.

Notwithstanding any other provision of this Lease, if the Leased Premises, the Building Systems and any other equipment or the roof or outside walls of the Leased Premises are put in a state of disrepair or are damaged or destroyed through the negligence, carelessness or misuse of the Tenant, its servants, agents, employees or anyone permitted by it to be in the Leased Premises, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant and paid to the Landlord forthwith on demand as Additional Rent, plus a sum equal to fifteen percent (15%) thereof for overhead.

6.06 INSURANCE

The Tenant shall, at its sole cost and expense, take out and maintain in full force and effect at all times throughout the Term the following insurance:

- (a) "All Risks" insurance upon Leased Premises of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, within or on the Leased Premises or Leased Premises, including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full replacement cost thereof from time to time without deduction for depreciation, subject to a stated amount clause and with a contingent liability from enforcement of building by-laws endorsement and an inflation protection endorsement;
- (b) general liability and Leased Premises damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Leased Premises, which coverage shall include the business operations conducted by the Tenant. No other person shall conduct business at the Leased Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than Five Million Dollars (\$5,000,000.00) or such higher limits as the Landlord may reasonably require from time to time;
- (c) broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the Leased Premises, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) relating to or serving the Leased Premises;
- (d) business interruption insurance in an amount sufficient to cover the Tenant's Rent for a period of not less than twelve (12) months;
- (e) standard owners' form automobile insurance providing third party liability insurance with Five Million Dollars (\$5,000,000) inclusive limits, and accident benefits insurance, covering all licensed vehicles owned, leased or operated by or on behalf of the Tenant;
- (f) plate glass insurance with respect to all glass windows and glass doors in or on the Premises for the full replacement value thereof; and
- (h) such other forms of insurance as may be reasonably required by the Landlord from time to time.

All such insurance shall be with insurers and shall be upon such terms and conditions as the Landlord reasonably approves. The insurance described in subsections (a) and (c) shall name as loss payee the Landlord and anyone else with an interest in the Leased Premises from time to time designated in writing by the Landlord, and shall provide that any proceeds recoverable in the event of damage to leasehold improvements shall be payable to the Landlord. The insurance described in subsections (b) and (d) shall name as an additional insured the Landlord and anyone else with an interest in the Leased Premises from time to time designated in writing by the Landlord. The Landlord agrees to make available such proceeds toward repair or replacement of the insured Leased Premises if this Lease is not terminated pursuant to the terms of this Lease. All public liability insurance shall contain a provision for cross liability or severability of interest as between the Landlord and the Tenant.

All of the foregoing insurance policies shall contain a waiver of any right of subrogation or recourse by the Tenant's insurers against the Landlord or the Landlord's mortgagees, their contractors, agents and employees, whether or not any loss is caused by the act, omission or negligence of the Landlord, its mortgagees, their contractors, agents or employees. The Tenant shall obtain from the insurers under such policies undertakings to notify the Landlord in writing at least thirty (30) days prior to any material change, termination or cancellation thereof. The Tenant shall furnish to the Landlord upon written request, certificates of all such policies. The Tenant agrees that if it fails to take out or to keep in force such insurance or if it fails to provide a certificate of every policy and evidence of continuation of coverage as herein provided, the Landlord shall have the right to take out such insurance and pay the premium therefore and, in such event, the Tenant shall pay to the Landlord the amount paid as premium plus fifteen percent (15%), which payment shall be deemed to be Additional Rent payable on the first day of the next month following the said payment by the Landlord.

The Landlord shall not be liable or responsible in any way for any loss of or damage or injury to any property belonging to the Tenant or to employees of the Tenant or to any other person while such property is in, upon or about the Leased Premises or for any injury (including death) to any person while such person is in, upon or about the Leased Premises or upon the sidewalks and land adjacent thereto, and, without limiting the generality of the foregoing, the Landlord shall not be liable for any loss, damage or injury caused by gas, fumes, vapours, dust, any hazardous material or substance, steam, water, rain or snow which may leak into, issue or flow from any part of the Leased Premises or caused by other tenants in the Leased Premises or from the water, steam or drainage pipes or plumbing works of the Leased Premises or from any other place or quarter or for any loss, damage or injury caused by or attributable to the condition or arrangement of any electric or other wiring.

The Landlord and Tenant covenant that there shall be no abatement from or reduction of the Rent due hereunder, nor shall the Tenant be entitled to damages, losses, costs or disbursements from the Landlord during the Term hereby created on, caused by or on account of fire (except as provided otherwise in this Lease) water, sprinkler systems, partial or temporary failure of stoppage of heat, lights, elevator, live steam or plumbing service in or to the Leased Premises, whether due to acts of God, strikes, accidents, the making of alterations, repairs, renewals, improvements, structural changes to the Premises, or Leased Premises or the equipment or systems supplying the said services unless same has been caused by the gross negligence or wilful act or omission of the Landlord or those for whom it is responsible at law, and provided that the said failure or stoppage be remedied within a reasonable time.

The Tenant shall not have anything upon the Leased Premises or do or omit to do anything in or about the Leased Premises which will in any way impair or invalidate its obligation of any policy of insurance effected by the Landlord on the Leased Premises, and will, if such act or omission occurs, forthwith rectify the same upon notice by the Landlord, and reimburse the Landlord through an increase in the Tenant's Additional Rent for any increase in insurance premiums paid by the Landlord and attributable thereto or to anything done, or omitted or permitted to be done, by the Tenant or by anyone on the Leased Premises with the Tenant's permission, or to any unusual or hazardous use by the electrical or other equipment which may overload the electrical or other service facilities. The Tenant shall at its own expense make whatever changes

are necessary to comply with the reasonable and lawful requirements of insurance underwriters and governmental authorities having jurisdiction, but no changes shall be made by the Tenant until the Tenant first submits to the Landlord plans and specifications for the proposed work and obtains the Landlord's written approval to perform the same.

The Tenant agrees that it will comply with all applicable regulations, orders and requirements of the Canadian Underwriters Association or any body having similar functions or any liability or fire insurance company by which the Landlord and/or the Tenant may, in respect of the Leased Premises or any part thereof, be insured.

If any insurance on the Leased Premises against fire or any other risk shall be cancelled by the insurer or if any application for such insurance be refused by reason of the use or occupation of them, or any part thereof, by the Tenant or the assignee or subtenant of the Tenant, or by anyone permitted by the Tenant to be upon the Premises, and the Tenant fails to remedy the condition giving rise to such cancellation or refusal forthwith after written notice by the Landlord, the Landlord may, at the Tenant's expense, enter upon the Leased Premises and remedy such condition; provided that in the event the Landlord is unable to remedy such condition, the Landlord, at its option, may terminate the lease forthwith by leaving upon the Leased Premises a notice in writing of its intention to terminate the Lease, and upon leaving such notice in writing upon the Leased Premises, Additional Rent and any other payments for which the Tenant is liable under this Lease shall be apportioned and paid in full to the date of such termination, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord.

If the occupancy of the Leased Premises, the conduct of business by the Tenant, or any acts or omissions of the Tenant in the Leased Premises or any part thereof causes or results in any increase in premiums for the insurance carried from time to time by the Landlord with respect to the Leased Premises, the Tenant shall pay any such increase in premiums as Additional Rent forthwith after invoices for such additional premiums are rendered by the Landlord.

6.07 INDEMNIFICATION OF LANDLORD

The Tenant covenants and agrees to indemnify the Landlord and its directors, officers, employees and representatives and save them harmless from and against any and all losses, damages, expenses, fines, liabilities, claims, demands, actions, investigations and other proceedings in connection with loss of life, personal injury and/or damage to or loss of property: (a) arising out of any occurrence in or about the Leased Premises; (b) occasioned or caused wholly or in part by any negligence, wrongful act or omission of the Tenant or anyone for whom it is in law responsible; or (c) arising from any breach or non-performance by the Tenant of any provision of this Lease. Notwithstanding the foregoing, the Tenant is not liable if and to the extent that any of the losses or claims, actions, demands, liabilities and expenses is due to the gross negligence of the Landlord, its employees, or those for whom it is in law responsible, or due to any peril or hazard against which the Landlord is insured under the terms of the Lease.

The Tenant agrees to promptly notify the Landlord in writing if any investigations, orders, claims, actions or other proceedings are issued with respect to its operations or with respect to its use or occupancy of the Leased Premises by any Regulatory Authority, including pursuant to any Environmental Law and/or if any statutory or civil proceedings are commenced against it by any Regulatory Authority or any person under any Environmental Law.

ARTICLE 7- LANDLORD'S COVENANTS

The Landlord covenants and agrees with the Tenant as follows:

7.01 QUIET ENJOYMENT

The Tenant may peacefully and quietly have, hold, occupy, possess and enjoy the Leased Premises for the Term.

7.02 LANDLORD'S TITLE AND AUTHORITY

- (a) The Landlord is the sole registered owner of the Leased Premises with good and marketable title thereto free and clear of all mortgages, charges, encumbrances, easements, servitudes, agreements, covenants and restrictions other than those which do not interfere with or restrict the Tenant from carrying on its business in the Leased Premises or the rights of the Tenant under this Lease.
- (b) The Landlord has full power and authority to enter into this Lease.

7.03 REPAIRS AND OTHER COSTS

The Landlord shall be responsible to repair only defects, deficiencies, deviations or failures of workmanship in that constitute Capital Repairs.

7.04 INSURANCE

The Landlord shall provide and maintain insurance on the whole of the Leased Premises against loss, damage or destruction caused by fire and extended perils under a standard extended form of fire insurance policy in such amounts and on such terms and conditions as would be carried by a prudent owner of a similar building, having regard to the size, age and location of the Leased Premises and the intended demolition of the Leased Premises for a redevelopment. The amount of insurance to be obtained shall be determined at the sole discretion of the Landlord. The Landlord may maintain such other insurance in respect of the Leased Premises and its operation and management as the Landlord determines, acting reasonably. The Tenant shall not be an insured under the policies with respect to the Landlord's insurance, nor shall it be deemed to have any insurable interest in the Leased Premises covered by such policies, or any other right or interest in such policies or their proceeds.

7.05 OBSERVANCE OF LAWS

The Landlord will comply with all Laws applicable to it in relation to the Leased Premises.

7.06 TRANSFER

The Landlord may at any time during the Term transfer any right, title, or interest in or to the Leased Premises or to the Lease, provided that, if requested by the Tenant, the Landlord will obtain in favour of the Tenant a non-disturbance agreement (or, if the Tenant is then in default under this Lease, an acknowledgement) from any such transferee acknowledging and agreeing to be bound by the terms of this Lease on the transferee's standard form, acting reasonably.

ARTICLE 8 – ENVIRONMENTAL

8.01 COMPLIANCE WITH LAWS

The Tenant covenants and agrees to comply with all Environmental Laws and the terms of this Lease relating to environmental matters affecting its operations and its use and occupancy of the Leased Premises.

8.02 INDEMNITY

The Tenant covenants and agrees to indemnify and save the Landlord and its directors, officers, employees and representatives and save them harmless from and against any and all losses, damages, expenses, fines, liabilities, claims, demands, actions, investigations and other proceedings resulting from, in connection with or arising in any manner whatsoever out of the failure by the Tenant (and/or those for whom the Tenant is in law responsible) to fully comply with all Environmental Laws and this Lease and/or resulting from, or arising in any manner out of any Hazardous Substance being released into the environment or deposited, discharged, placed or disposed of in, on or about the Leased Premises by the Tenant and/or those for whom the Tenant is in law responsible. The obligations of the Tenant to indemnify the Landlord will survive the expiration or termination of this Lease and will remain in full force and effect for the benefit of the Landlord.

8.03 SITE ASSESSMENTS

The Landlord represents and warrants that it has provided to the Tenant copies of all relevant and material environmental site assessments and other similar studies or reports which have been prepared or completed by it or on its behalf in respect of the Leased Premises.

ARTICLE 9 – ASSIGNMENT AND SUBLETTING

9.01 ASSIGNMENT AND SUBLETTING

The Tenant shall not effect any Transfer of the whole or any part of this Lease or its rights, liabilities or obligations hereunder without the prior written consent of the Landlord to be given or refused in its sole discretion and which may be arbitrarily withheld or refused. Any consent granted by the Landlord shall be conditional upon the assignee or sublessee executing a written agreement directly with the Landlord agreeing to be bound by all the terms of this Lease as if the assignee or sublessee had originally executed this Lease as Tenant. No consent to any Transfer shall relieve the Tenant from its obligation to pay Rent and to perform all of the covenants, terms and conditions herein contained. In the event of a Transfer, the Landlord may collect Rent or sums on account of Rent from the transferee, and apply the net amount collected to the Rent payable hereunder but no such Transfer or collection or acceptance of the transferee as tenant, shall be deemed to be a waiver of this covenant. Any transfer or issue by sale, assignment, bequest, inheritance, operation of law, or other disposition, or by subscription, of any part or all of the corporate shares of the Tenant or any other corporation, which would result in any change in the effective direct or indirect control of the Tenant, shall be deemed to be a Transfer

9.02 CHANGE OF CONTROL

Intentionally Deleted.

ARTICLE 10 – CONSTRUCTION AND COMPLETION

10.01 IMPROVEMENTS BY TENANT

Prior to the the Tenant undertaking any construction, renovation or improvement of any sort or kind on the Leased Premises, the Tenant must submit detailed plans to the Landlord and obtain the written consent of the Landlord. If the Landlord approves such plans (approval shall not be unreasonably withheld), the Tenant shall obtain all certificates, permits, licenses and other authorizations of governmental bodies or authorities which are necessary to permit the construction of the improvements on the Leased Premises and shall keep the same in full force and effect at the Tenant's cost.

The Tenant shall negotiate and supervise all contracts for the furnishing of services, labour, and materials for the construction of the improvements on the Leased Premises at its cost. The Tenant shall cause all contracts to be fully and completely performed in a good and workmanlike manner, all to the effect that the improvements shall be fully and completely constructed and installed in accordance with good engineering and construction practice. During the course of construction, the Tenant shall, at its cost, keep in full force and effect a policy of builder's risk and liability insurance in a sum equal, from time to time, to the amount expended for construction of the improvements. All risk of loss or damage to the improvements during the course of construction shall be on the Tenant with the proceeds from insurance thereon payable to the Tenant.

Nothing herein shall alter the intent of the parties that the Tenant shall be fully and completely responsible for all aspects pertaining to the construction of the improvements of the Leased Premises and for the payment of all costs associated therewith. The Landlord shall be under no duty to investigate or verify the Tenant's compliance with the provision herein. Moreover, neither the Tenant nor any third party may construe the permission granted the Tenant hereunder to create any responsibility on the part of the the Landlord to pay for any improvements, alterations or repairs occasioned by the the Tenant. The Tenant shall keep the Leased Premises free and clear of all liens and, should the Tenant fail to do so, or to have any liens removed from the Leased Premises within five (5) days of notification to do so by the the Landlord, in addition to all other remedies available to the Landlord, the Tenant shall indemnify and hold the Landlord harmless for all costs and expenses, including attorney's fees, occasioned by the Landlord in having said lien removed from the Leased Premises; and, such costs and expenses shall be billed to the Tenant monthly and shall be payable by the Tenant with that month's monthly rental as additional reimbursable expenses to the Landlord by the Tenant.

If any construction or other lien or order for the payment of money shall be filed against the Leased Premises by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within five (5) days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such lien, or orders, against the Tenant, at the Tenant's sole expense. The Tenant hereby indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders. If the Tenant shall fail to discharge any lien, then in addition to any other right or remedy of the Landlord, the Landlord may, but it shall not be so obligated, discharge the lien by paying the amount claimed to be due into Court and the amount paid by the Landlord together with all costs and expenses including solicitor's fees incurred for the discharge of the lien shall be due and payable by the Tenant to the Landlord as Additional Rent on demand.

ARTICLE 11- FIXTURES, ALTERATIONS AND EXPANSION

11.01 FIXTURES, FURNITURE AND EQUIPMENT

All personal property, furnishings, fixtures, and equipment and all other trade fixtures installed, exclusive of any and all additions and/or improvements, structural, mechanical, electrical, and plumbing, affixed to the Leased Premises and used in the operation of the Tenant's business made to, in or on the Leased Premises, susceptible of being removed from the Leased Premises without damage, unless such damage be repaired by the Tenant, shall remain the property of the Tenant.

11.02 INSTALLATION BY TENANT

The Tenant may not make or cause to be made any alterations, additions or improvements to the Leased Premises and may install or cause to be installed any chattels, trade fixtures, shades, awnings, signs, shelves, racks, displays, counters, computers, operating equipment, office equipment, telephone systems, alarm systems, furniture, portable ramps, floor coverings, interior or exterior lighting and mechanical or electrical systems as the Tenant deems desirable or appropriate without first obtaining the Landlord's written approval and consent unless alterations or additions to the structure of the Leased Premises are involved, in which

event the Tenant shall first obtain the Landlord's written consent, which consent shall not be unreasonably withheld or unduly delayed. Any such work will be completed by the Tenant in a good and workmanlike manner and in accordance with all applicable Laws.

11.03 SIGNS

Subject to the Tenant not being in default under this Lease:

- (a) the Landlord will permit the Tenant to erect, at its own expense, signs to the exterior of the Buildings and at the road access point(s) to the Leased Premises, provided such signs are erected and maintained in accordance with all Laws; and
- (b) the Landlord acknowledges and agrees that any and all of the Tenant's signs bearing the Tenant's name, trademarks, trade-names or other symbols are the property of the Tenant and shall remain the property of the Tenant.

11.04 REMOVAL AND RESTORATION

Subject to the Tenant not being in default under this Lease, the Tenant may, during the Term and upon the expiry of the Term, remove its chattels, inventory, products, stock in trade, goods for sale, computers, operating equipment, furniture, telephone systems, alarm systems, displays, trade fixtures, signs, shelves, racks and office equipment, regardless of whether same are attached or affixed to the Leased Premises, provided such property has been installed by the Tenant during the Term and the Tenant causes no damage to the Leased Premises in such removal or makes good such damage so caused.

ARTICLE 12 - DAMAGE, DESTRUCTION AND EXPROPRIATION

12.01 PROPERTY DAMAGE

Notwithstanding any contrary provisions of this Lease, the Landlord shall not be responsible for any loss of or damage to property of the Tenant or of others located on the Leased Premises, except where caused by the willful act or omission or gross negligence of the Landlord, or the Landlord's agents, employees or contractors.

12.02 DAMAGE AND DESTRUCTION

If during the Term the Building shall suffer any structural failure or collapse or be damaged or destroyed by any cause whatsoever, whether insured against or not, including, without limitation, fire, lightning, storm, acts of God or the Queen's enemies, riots, insurrections or other perils the following provisions shall have effect:

- (a) if the Leased Premises are rendered partially unfit for occupancy by the Tenant, the rent hereby reserved shall abate in the proportion that the part of the Leased Premises so rendered unfit is of the whole of the Leased Premises until the Leased Premises have been repaired or restored;
- (b) if the Leased Premises are rendered wholly unfit for occupancy by the Tenant, the rent hereby reserved shall abate until the Leased Premises have been repaired or restored;
- (c) notwithstanding the provisions of clauses (a) and (b) of this Section 12.02, (A) the Landlord shall have the option, exercised by notice in writing to Tenant within 30 days of the date of such occurrence to terminate this Lease and (B) if the Leased Premises are not capable with reasonable diligence of being repaired or restored within one hundred and eighty (180) days

of the occurrence of the damage or destruction, then the Tenant may terminate this Lease by written notice to the other given within thirty (30) days of the date of such occurrence, and if either such notice is so given, this Lease shall terminate effective as of and from the date of such occurrence and the Tenant shall within thirty (30) days of such notice surrender the Leased Premises to the Landlord and the rent shall be apportioned and shall be payable by the Tenant only to the date of such occurrence and the Landlord may re-enter and repossess the Leased Premises. If within the said period of thirty (30) days neither the Landlord nor the Tenant give notice terminating this Lease as aforesaid, then upon the expiration of such thirty (30) day period the Landlord shall promptly repair and restore the Leased Premises; and

- (d) if the Landlord is restoring and repairing the Leased Premises, the Landlord shall do so promptly within the aforesaid one hundred and eighty (180) days. If, however, the Landlord fails to substantially complete the repair or restoration within such period, the Tenant shall have the option to terminate this Lease by providing the Landlord with written notice at any time not later than 30 days after the end of such 180 day period.

12.03 EXPROPRIATION

If during the Term all or any part of the Leased Premises are taken or expropriated by any lawful expropriating authority, or purchased under threat of such taking this Lease shall automatically terminate on the date on which the expropriating authority takes possession of such Leased Premises. Upon any such taking or purchase, the Landlord shall be entitled to receive and retain the entire award or consideration for the affected lands and improvements, and the Tenant shall not have nor advance any claim against the Landlord for the value of its Leased Premises or its leasehold estate or the unexpired Term of the Lease, or for costs of removal or relocation, or business interruption expense or any other damages arising out of such taking or purchase. Nothing herein shall give the Landlord any interest in or preclude the Tenant from seeking and recovering on its own account from the expropriating authority any award or compensation attributable to the taking or purchase of the Tenant's improvements, chattels or trade fixtures, or the removal or relocation of its business and effect, or the interruption of its business.

ARTICLE 13-DEMOLITION

13.01 DEMOLITION

Notwithstanding any term of this Lease, the Landlord may terminate the Lease at any time after the first 3 years, if it is the Landlord's intention to sell, demolish, or substantially renovate the Building. The Landlord shall give the Tenant not less than ninety (90) days written notice of such termination. The Tenant agrees to vacate the Leased Premises and surrender the unexpired portion of the Term, at the expiry of the above notice period. If the Landlord demolishes or substantially renovates the Building, the Tenant will not have any rights to the Leased Premises or in the new or redeveloped Building. The Landlord can exercise the rights under this Section 13.01 at any time after the Commencement Date. The Landlord shall not be required to provide the Tenant with any proof with respect to any proposed sale, demolition or renovation of the Building or Leased Premises. The Landlord shall not be required to compensate the Tenant for: (a) any expenses incurred by the Tenant as a result of such termination, including expenses incurred in locating new premises or expenses incurred in having to move to new premises;(b) any leasehold improvements; or (c) any other expenses incurred by the Tenant in relation to the termination of this Lease.

ARTICLE 14- DEFAULT AND REMEDIES

14.01 LANDLORD'S REMEDIES

In the event that:

- (a) any Rent or other amounts payable by the Tenant hereunder is not paid when due;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 14.01, after notice in writing from the Landlord to the Tenant: (i) the Tenant fails to remedy such breach within ten (10) days (or such shorter period as may be provided in this Lease); or (ii) if such breach cannot reasonably be remedied within ten (10) days or such shorter period, the Tenant fails to commence to remedy such breach within ten (10) days of such breach, or thereafter fails to proceed diligently to remedy such breach;
- (c) a lien has been filed against the Lands by the Tenant or any person person directly or indirectly performing work for or on behalf of the Tenant and such lien is not removed within five (5) days of demand by the Landlord to remove such lien;
- (d) the Tenant becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets, or a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to a material portion of the business or assets of the Tenant;
- (e) the Tenant makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within fifteen (15) days after the date of such taking;
- (g) the Tenant effects a Transfer other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Leased Premises or the Leased Premises becomes vacant or substantially unoccupied for a period of five (5) consecutive days or more or Tenant ceases or threatens to cease to carry on business;
- (i) the Tenant moves or commences, attempts or threatens to move substantially all its trade fixtures, chattels and equipment out of the Leased Premises, out of the ordinary course of business; or
- (j) any insurance policy covering any part of the Leased Premises is, cancelled or adversely changed (including a substantial premium increase) as a result of any action or omission by the Tenant or any person for whom it is legally responsible.

then the Landlord shall be entitled to its election (unless the Tenant shall cure such default prior to such election), to exercise concurrently or successively, any one or more of the following rights:

- (i) Terminate this Lease by giving Tenant notice of termination, in which event this Lease shall expire and terminate on the date specified in such notice of termination, with the same force and effect as though the date so specified were the date herein originally fixed as the termination date of the term of this Lease, and all rights of the Tenant under this Lease and in and to the Leased Premises shall expire and terminate, and the Tenant shall remain liable for all obligations under this Lease

arising up to the date of such termination, and the Tenant shall surrender the Leased Premises to the Landlord on the date specified in such notice; or

- (ii) Terminate this Lease as provided herein and recover from the Tenant all damages the Landlord may incur by reason of the Tenant's default, including, without limitation, a sum which, at the date of such termination, represents the then value of the excess, if any, of (a) the Minimum Rent, Operating Costs, Property Taxes and all other sums which would have been payable hereunder by Tenant for the period commencing with the day following the date of such termination and ending with the date herein before set for the expiration of the full term hereby granted, over (b) the aggregate reasonable rental value of the Leased Premises for the same period, all of which excess sum shall be deemed immediately due and payable; or
- (iii) Without terminating this Lease, declare immediately due and payable all Minimum Rent, Operating Costs, Property Taxes and other rents and amounts due and coming due under this Lease for three months from the termination date, together with all other amounts previously due, at once; provided, however, that such payment shall not be deemed a penalty or liquidated damages but shall merely constitute payment in advance of Rent for the remainder of said term; or
- (iv) Should the Tenant default on lease obligations past the relevant time periods permitted hereunder to cure such default, then the Landlord without terminating this Lease, and with or without notice to the Tenant, the Landlord may in its own name but as agent for the Tenant enter into and upon and take possession of the Leased Premises or any part thereof, and, at the Landlord's option, remove persons and property there from, and such property, if any, may be removed and stored in a warehouse or elsewhere at the cost of, and for the account of the Tenant, all without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby, and the Landlord may rent the Leased Premises or any portion thereof as the agent of Tenant with or without advertisement, and by private negotiations and for any term upon such terms and conditions as the Landlord may deem necessary or desirable in order to re-let the Leased Premises. The Landlord shall attempt to mitigate its losses by attempting to re-let the Leased Premises. Upon such re-letting, all rentals received by the Landlord from such re-letting shall be applied: first, to the payment of any indebtedness (other than any rent due hereunder) from the Tenant to the Landlord; second, to the payment of any costs and expenses of such re-letting, including, without limitation, brokerage fees and attorney's fees and costs of alterations and repairs; third, to the payment of rent and other charges then due and unpaid hereunder; and the residue, if any shall be held by the Landlord to the extent of and for application in payment of future rent as the same may become due and payable hereunder. In re-letting the Leased Premises as aforesaid, the Landlord may grant rent concessions and the Tenant shall not be credited therefore. If such rentals received from such re-letting shall at any time or from time to time be less than sufficient to pay to the Landlord the entire sums then due from the Tenant hereunder, the Tenant shall pay any such deficiency to the Landlord. Such deficiency shall, at the Landlord's option, be calculated and paid monthly. No such re-letting shall be construed as an election by the Landlord to terminate this Lease unless a written notice of such election has been given to the Tenant by the Landlord. Notwithstanding any such re-letting without termination the maximum extent of the the Tenant's obligation shall be deemed to be three months of the current leasehold fees. The Landlord may at any time thereafter elect to

terminate this Lease for any such previous default provided same has not been cured; or

- (v) Without liability to the Tenant or any other party and without constituting a constructive or actual eviction, suspend or discontinue furnishing or rendering to the Tenant any property, material, labour, utilities or other service, whether Landlord is obligated to furnish or render the same, so long as the Tenant is in default under this Lease; or
- (vi) Allow the Leased Premises to remain unoccupied and collect rent from the Tenant as it comes due for a maximum of three months of current leasehold fees; or
- (vii) Foreclose the security interest described herein, including the immediate taking of possession of all property on or in the Leased Premises; or
- (viii) Pursue such other remedies as are available at law or equity.

The Landlord's pursuit of any remedy or remedies, including without limitation, any one or more of the remedies stated herein shall not (1) constitute an election of remedies or preclude pursuit of any other remedy or remedies provided in this Lease or any other remedy or remedies provided by law or in equity, separately or concurrently or in any combination, or (2) serve as the basis for any claim of constructive eviction, or allow the Tenant to withhold any payments under this Lease.

14.02 LANDLORD MAY PERFORM COVENANTS

If the Tenant shall fail to perform any of the covenants or obligations of the Tenant under or in respect of this Lease, the Landlord may from time to time in its discretion after giving not less than thirty (30) days written notice thereof to the Tenant, or such shorter period, if any, as is reasonable in the case of an emergency, perform or cause to be performed any of such covenants or obligations or any part thereof, and for such purpose may do such things as may be requisite, including, without limitation, entering upon the Leased Premises upon reasonable prior notice to the Tenant. All expenses incurred and expenditures made by or on behalf of the Landlord in so doing, shall be collected in the same manner as rent hereunder and shall be paid by the Tenant with the next instalment of rent falling due hereunder. Nothing in this Section 14.03 shall require the Landlord to directly or indirectly commence or complete such performance of the Tenant's covenants or obligations.

14.03 Costs

The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a substantial indemnity basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

14.04 Distress

The Tenant does not contract out of, waive or relinquish any of the provisions of the *Commercial Tenancies Act* (Ontario) as it may be amended from time to time or any other existing or future any rule of law (whether statutory or otherwise).

Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the

goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

ARTICLE 15- ACCESS AND EXHIBITION OF PREMISES

15.01 ACCESS

The Landlord or its agents shall have the right to enter the Leased Premises at all reasonable times on reasonable notice to the Tenant to examine same and to make such repairs, alterations, improvements or additions to the Leased Premises as the Landlord may be required to make under the provisions of this Lease, provided that the Landlord exercises all commercially reasonable means so as not to impair or interfere with the Tenant's business operations and the Tenant, at its option, may have an employee or agent present at the time of such entry.

15.02 EXHIBITION

The Landlord shall have the right to exhibit the Leased Premises to prospective tenants during normal business hours during the last six (6) months of the Term. The Landlord shall give the Tenant not less than 24 hours prior notice of any intended showing of the Leased Premises to a prospective tenant.

ARTICLE 16 - STATUS STATEMENT, ATTORNMENT, SUBORDINATION

16.01 Status Certificate

The Tenant shall, on five (5) days' notice from the Landlord, execute and deliver to the Landlord a statement, or Status Certificate, or Tenant Estoppel, as prepared by the Landlord or Landlord's mortgagee or Landlord's purchaser, in writing directed to the Landlord, their mortgagee or purchaser, and their respective solicitors, certifying the following: (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the modifications and that the same is in full force and effect as modified; (b) the amount of the annual rent then being paid; (c) the dates to which annual rent, by installments or otherwise, and other Additional Rent or charges have been paid; and (d) whether or not there is any existing default on the part of the Landlord of which the Tenant has notice; and (e) such other reasonable requests regarding the Lease. Provided that in the event the Tenant neglects or refuses to provide the statement, or Status Certificate, or Tenant Estoppel within the time limit provided for herein then the Landlord is hereby authorized by the Tenant to complete the statement, or Status Certificate, or Tenant Estoppel on the Tenant's behalf.

16.02 Subordination and Non-Disturbance

This Lease and all of the rights of the Tenant hereunder are and shall at all times be subject and subordinate to any and all Mortgages and any renewals or extensions thereof, now or hereinafter in force against the Leased Premises. Upon the request of the Landlord, the Tenant shall promptly subordinate this Lease and all its rights hereunder in such form or forms as the Landlord may require to any such Mortgage or Mortgages, and to all advances made or hereinafter to be made upon the security thereof and will, if required, attorn to the holder thereof. No subordination by the Tenant shall have the effect of permitting a Mortgagee to disturb the occupation and possession by the Tenant of the Premises or of affecting the rights of the Tenant pursuant to the terms of this Lease, provided that the Tenant performs all of its covenants, agreements and conditions contained in this Lease and contemporaneously executes a document of attornment as required by the Mortgagee. The obligations of the Tenant to so subordinate this Lease shall be conditional upon the delivery to the Tenant by the Landlord of a non-disturbance agreement in the form of the mortgagee of said Mortgage, acting reasonably.

16.03 ATTORNMENT

The Tenant shall, in the event any proceedings are brought for the foreclosure of or in the event of exercise of any power of sale under any mortgage made by the Landlord covering the Leased Premises, attorn to the mortgagee or the purchaser upon any such foreclosure or sale and recognize such mortgagee or purchaser as the landlord under this Lease.

ARTICLE 17 – MISCELLANEOUS

17.01 ENTIRE AGREEMENT

This Lease (including the Schedules thereto) sets out all the covenants, promises, agreements, conditions and understandings between the Landlord and the Tenant concerning the leasing of the Leased Premises by the Tenant from the Landlord and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as aforesaid. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless reduced to writing and signed by them.

17.02 NOTICES

Any notice or other communication to be given in connection with this Lease shall be given in writing and shall be given by personal delivery, by courier, by registered mail or by e-mail transmission addressed to the recipient at the following address:

To the Tenant at: bE SixFifty Hotel Inc.

650 Bay Street, Toronto, Ontario M5G 1M8

Attention: Stefanos Karayannopoulos

E-mail: info@besixfifty.com

To the Landlord at: 2220277 Ontario Inc.
650 Bay Street
Toronto, ON M5G 1M8

Attention: Evan Karras
E-mail: ek@alliancevp.com

or to such other address, individual or e-mail address as may be designated by notice given by either party to the other. Any such notice or other communication given by personal delivery or courier shall be conclusively deemed to have been given on the day of actual delivery thereof, or if given by e-mail communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the business day during which such normal business hours next occur if not given during such hours on any day, or if sent by registered mailed, then on the fifth business day following the date of the mailing. Any party may change its information for notice by delivery of a notice in accordance with this section.

17.03 REGISTRATION OF LEASE

The Tenant may register this Lease against title to the Lands.

17.04 WITHHOLDING

The Tenant shall not withhold or deduct any rents due to the Landlord for any reason whatsoever, without the prior written consent of the Landlord.

17.05 GOVERNING LAW

This Lease shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

17.06 EXTRAORDINARY REMEDIES

To the extent recognizable at law, the parties hereto, in the event of breach and in addition to any and all other remedies available thereto, may obtain injunctive relief, regardless of whether the injured party can demonstrate that no adequate remedy exists at law.

17.07 EFFECT OF HEADINGS, ETC.

The division of this Lease into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Lease.

17.08 SEVERABILITY

If any provision of this Lease, or the application thereof to any circumstances, shall to any extent be, or be held to be, invalid or unenforceable, then the remaining provisions of this Lease or the application thereof to other circumstances shall not be affected thereby, and shall be held valid and enforceable to the full extent permitted by law.

17.09 GRAMMATICAL CHANGES

When the context so requires or permits, the singular number shall be read as if the plural were expressed, and the neuter gender as if the masculine or feminine, as the case may be, were expressed, and words importing persons shall include partnerships, firms and corporations and *vice versa*.

17.10 ACTING REASONABLY

Unless otherwise specifically provided, the parties agree to act reasonably in giving any approval or consent, making any determination or exercising any discretion under this Lease. If and whenever the consent or leave of either party is required pursuant to the terms hereof for the doing of any thing by the other party, such consent or leave shall not be unreasonably withheld or unduly delayed, except as otherwise expressly provided herein.

17.11 SUCCESSORS

All rights and liabilities herein given to or imposed upon the parties hereto shall extend to and bind the respective successors and permitted assigns of the said parties.

17.12 FORCE MAJEURE

In the event that the Landlord or the Tenant shall be unable to fulfill, or shall be delayed or prevented from

the fulfillment of, any obligation hereunder by reason of municipal delays in providing necessary approvals or permits, the other party's delay in providing approvals as required herein, strikes, third party lockouts, fire, flood, earthquake, lightning, storm, acts of God or the Queen's enemies, riots, insurrections or other reasons of like nature beyond the reasonable control of the party delayed or prevented from fulfilling any obligation hereunder (excepting any delay or prevention from such fulfillment caused by a lack of funds or other financial reasons) and provided that such party uses all reasonable diligence to overcome such unavoidable delay, then, except for the provisions of Article 11, the time period for performance of such an obligation will be extended for a period equivalent to the duration of such unavoidable delay. Force majeure shall not include the Tenant's obligation to pay the Landlord under this Lease.

17.13 TIME

Time shall be of the essence of this Lease.

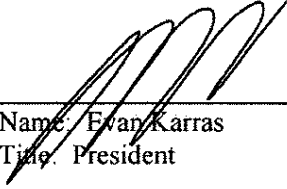
17.14 COUNTERPARTS AND FACSIMILE TRANSMISSION

This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, taken together, shall be deemed to constitute one and the same instrument. This Lease, or a counterpart hereof, may be executed and delivered by facsimile transmission and, if so executed and transmitted, this Lease will be for all purposes as effective and binding as if an originally executed document was delivered. Any party so executing and delivering this Lease, or a counterpart thereof, by facsimile transmission shall thereafter deliver an originally executed copy of this Lease or counterpart thereof.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first written above.

2220277 ONTARIO INC.

By: 
Name: Evan Karras
Title: President

bE SixFifty Hotel Inc.

By: 
Name: Stefanos Karayannopoulos
Title: General Manager

APPENDIX “R”

TO THE FIFTEENTH REPORT OF
THE RECEIVER

Federal Corporation Information

Federal Corporation Information - 984549-6

Glossary of Terms used on this page

Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

Corporation Number

984549-6

Business Number (BN)

756689899RC0001

Corporate Name

bE SixFifty Hotel Inc.

Status

Active

Governing Legislation

Canada Business Corporations Act - 2016-07-27

Registered Office Address

650 Bay Street
Toronto ON M5G 1M8
Canada

Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors

Minimum 1
Maximum 10

Evan Karras
650 Bay Street
Toronto ON M5G 1M8
Canada

Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings

Anniversary Date (MM-DD)
07-27

Date of Last Annual Meeting

Not Available

Annual Filing Period (MM-DD)

07-27 to 09-25

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2017 - Filed

Corporate History

Corporate Name History

2016-07-27 to Present

bE SixFifty Hotel Inc.

Certificates and Filings

Certificate of Incorporation

2016-07-27

[Start New Search](#)

[Return to Search Results](#)

Date Modified: 2017-05-04

Request ID: 020567955
Transaction ID: 65264509
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/04
Time Report Produced: 09:54:49
Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
3138514	BE SIXFIFTY HOTEL INC.	2016/07/27
		Jurisdiction
		CANADA
Corporation Type	Corporation Status	Former Jurisdiction
FEDERAL CORP WITH SHARE	REFER TO JURISDICTION	NOT APPLICABLE
Registered or Head Office Address	Date Amalgamated	Amalgamation Ind.
650 BAY STREET	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
TORONTO	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		Letter Date
CANADA M5G 1M8		NOT APPLICABLE
Principal Place of Business in Ontario	Revival Date	Continuation Date
650 BAY STREET	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
TORONTO	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		
CANADA M5G 1M8		
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	2016/07/27	NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

Request ID: 020567955
Transaction ID: 65264509
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/04
Time Report Produced: 09:54:49
Page: 2

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

3138514

Corporation Name

BE SIXFIFTY HOTEL INC.

Corporate Name History

REFER TO JURISDICTION

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

EVAN
KARRAS

Address

650 BAY STREET

TORONTO
ONTARIO
CANADA M5G 1M8

Date Began

2016/07/27

First Director

NOT APPLICABLE

Designation

OFFICER/MANAGER IN ONT.

Officer Type

Resident Canadian

NOT APPLICABLE

Request ID: 020567955
Transaction ID: 65264509
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/04
Time Report Produced: 09:54:49
Page: 3

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
3138514	BE SIXFIFTY HOTEL INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	INITIAL RETURN	2	2016/08/16 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

APPENDIX “S”

TO THE FIFTEENTH REPORT OF
THE RECEIVER

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

BETWEEN:

ZAHERALI VISRAM

Applicant

- and -

2220277 ONTARIO INC.

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**SECOND SUPPLEMENTAL REPORT TO THE FIFTH REPORT TO THE COURT OF
A. FARBER & PARTNERS INC. IN ITS CAPACITY AS COURT APPOINTED
RECEIVER OF 2220277 ONTARIO INC.**

October 24, 2017

A. GENERAL BACKGROUND

1. This Report is the Second Supplemental Report to the Fifth Report to the Court of A. Farber & Partners Inc., dated October 11, 2017 (the “**Fifth Report**”) in its capacity as the Court-appointed receiver (the “**Receiver**”) of the assets, undertakings and properties of 2220277 Ontario Inc. (the “**Debtor**”).
2. All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Fifth Report.

B. PURPOSE OF THE REPORT

3. The purpose of this Second Supplemental Report to the Fifth Report is to provide an update to the Court on the status of the Hotel Lease and Restaurant Lease and the

Receiver's concerns with respect to the ongoing operations of the hotel and restaurant at the Real Property.

C. DISCLAIMER

4. In preparing this Second Supplemental Report to the Fifth Report the Receiver has relied upon unaudited, draft and/or internal financial and other information provided by the sole director and officer of the Debtor, its advisors, and other third party sources. Farber has not independently reviewed or verified such information. The Receiver has prepared this Second Supplemental Report to the Fifth Report for the sole use of the Court and of the other stakeholders in these proceedings.

D. HOTEL LEASE

5. Pursuant to the Hotel Lease, bE SixFifty operates the bE SixFifty Hotel at the Real Property. The Hotel Lease was entered into on July 27, 2016, and a copy is attached as Appendix "D" to the Fifth Report.
6. Karras, the directing mind and sole director of the Debtor, is also the sole director of bE SixFifty.
7. Upon its appointment, the Receiver's counsel wrote to bE SixFifty requesting, among other things, an accounting of all rent paid by bE SixFifty since the commencement of the Hotel Lease. A copy of the letter from the Receiver's counsel to bE SixFifty (without enclosures), dated August 10, 2017, is attached hereto as Appendix "A".
8. On or about August 18, 2017, Karras delivered to the Receiver a Rental Revenue Reconciliation – 2017 (the "**Rent Reconciliation**") which lists various payments allegedly made by bE SixFifty on behalf of the Debtor and set-off against bE SixFifty's 2017 rent payments. No supporting documentation, including invoices or proof of payment, was provided. A copy of the Rent Reconciliation is attached hereto as Appendix "B".
9. In an August 25, 2017 letter, the Receiver's counsel reiterated its request for an accounting as well as payment of rent for August 2-31, 2017 and a post-dated cheque for

September's rent. A copy of the letter from Receiver's counsel to bE SixFifty (without enclosures), dated August 25, 2017, is attached hereto as Appendix "C".

10. On September 1, 2017, bE SixFifty paid September's rent. By letters, dated September 7, 2017 and September 14, 2017, the Receiver's counsel wrote again to bE SixFifty demanding payment of August's rent. A copy of the letters from the Receiver's counsel to bE SixFifty, dated September 7, 2017, and September 14, 2017, are attached hereto as Appendices "D" and "E", respectively.
11. By letter, dated September 18, 2017, bE SixFifty responded stating that due to the payments made on behalf of the Debtor, as set out in the Rent Reconciliation, no rent is owing for the period of August, 2017. Post-dated cheques for rent for October and November were provided "under protest". A copy of the letter from bE SixFifty to Dentons Canada LLP, dated September 18, 2017, is attached hereto as Appendix "F".
12. Upon review of the Rent Reconciliation, the Receiver was not satisfied that all rent for the period from July 26, 2016 (the commencement date of the Lease) to August 31, 2017, had been properly set off and was therefore not due and payable.
13. At its examination of Karras on September 19, 2017, the Receiver requested supporting documentation in respect of the amounts listed on the Rent Reconciliation. Certain limited invoices were provided at the time of the examination and Karras undertook to provide rental reconciliation and rent payment details for 2016.
14. The Receiver did not receive any further evidence that the payments alleged to have been paid by bE SixFifty pursuant to the Rent Reconciliation were in fact made and cleared. Of particular concern are the two payments allegedly made to the Applicant, Zaherali Visram ("**Visram**"), in the amounts of \$20,000 and \$50,000.
15. Contrary to the representations of Karras and bE SixFifty, the Affidavit of Visram, sworn May 15, 2017 and filed in this proceeding (the "**Visram Affidavit**"), states in paragraphs 69-70 that the first cheque, in the amount of \$20,000, never cleared. The Receiver has not received any documentation from bE SixFifty or Karras establishing that the \$20,000 payment to Visram cleared.

16. With respect to the \$50,000 alleged payment to Visram, the Visram Affidavit states in paragraphs 71-72 that the cheque was not deposited. The documentation attached to bE SixFifty's letter, dated September 18, 2017, includes a processed cheque to Visram for \$50,000 but no evidence showing that the payment cleared.
17. Based on its review of the limited documentation provided to support the alleged payments set out in the Rent Reconciliation, its concern that the \$70,000 of payments to Visram did not clear, and the absence of any documentation showing the payment of rent for 2016, the Receiver instructed its counsel to write to bE SixFifty demanding payment of all rent for the period from July 27, 2016 (the commencement date of the Hotel Lease) to August 31, 2017. A copy of the letter from Receiver's counsel to bE SixFifty, dated October 4, 2017, is attached hereto as Appendix "G".
18. bE SixFifty responded by letter, dated October 16, 2017, stating that the Debtor and bE SixFifty agreed to a rent abatement for 2016 until the hotel was operational. Attached to the letter were invoices in respect of certain payments set out in the Rent Reconciliation. A copy of the letter from bE SixFifty, dated October 16, 2017, is attached hereto as Appendix "H".
19. bE SixFifty's responding letter was the first time the Receiver was made aware of any rent abatement under the Hotel Lease. Karras previously advised at his examination that bE SixFifty paid the Debtor's expenses in 2016 and undertook to provide an accounting in that regard. The Receiver never received such accounting and bE SixFifty has now advised the Receiver that rent was not payable in 2016 pursuant to the terms of a lease amendment.
20. The Receiver reviewed the documentation provided by bE SixFifty and determined that it was deficient in establishing that rent was properly offset for a number of reasons. Although various cheques were provided, the payor's name was redacted and there was no evidence that each of the cheques, including the payments to Visram, actually cleared. In addition, only limited invoices in respect of Toronto Hydro and the HVAC were attached, and the Receiver has no documentation showing that most of the payments were in fact made on behalf of, or for the benefit of, the Debtor. For example, the Rent

Reconciliation includes three \$5,000 cheques to Keyser Mason Ball LLP (“**KMB**”), but the documents KMB produced to the Receiver do not include any invoices or retainer accounting showing such payments were for the Debtor’s account.

21. By letter, dated October 18, 2017, the Receiver’s counsel responded to bE SixFifty, outlining the deficiencies in the documentation and noting that the failure to pay rent constituted a default under the Hotel Lease and is grounds for terminating the Hotel Lease. The Receiver’s counsel also requested a copy of the lease amendment(s) setting out that no rent was payable for 2016. A copy of the letter from the Receiver’s counsel to bE SixFifty, dated October 18, 2017, is attached hereto as Appendix “I”. No response has been received as of the date of this Second Supplemental Report.
22. The Receiver is of the view that bE SixFifty has not established that all rent due from July 27, 2016, to August 31, 2017, was abated or otherwise properly set off. Accordingly, all overdue rent appears to remain a receivable owing to the estate such that bE SixFifty is in default of the Hotel Lease and the Hotel Lease may be terminated pursuant to its terms.

E. RESTAURANT LEASE

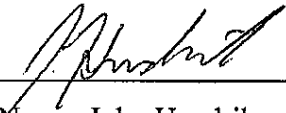
23. The Restaurant Lease was entered into by the Debtor and the Food Society on April 1, 2017. A copy of the Restaurant Lease is attached as Appendix “E” to the Fifth Report. Karras initially advised the Receiver that, due to the issues with outstanding work orders at the Real Property, the Debtor and the Food Society agreed to a full rent abatement until September 30, 2017.
24. By letter dated August 4, 2017, the Receiver’s counsel wrote to the Food Society requesting, among other things, an accounting of all rent paid to the Debtor since the commencement of the Restaurant Lease and copies of all insurance policies in respect of the business. A copy of the letter from Receiver’s counsel to the Food Society (without enclosures), dated August 4, 2017, is attached hereto as Appendix “J”.
25. On August 18, 2017, Karras provided to the Receiver a copy of a Lease Amendment, dated April 3, 2017 (the “**First Lease Amendment**”), which contemplates a full

abatement of rent until September 30, 2017. Karras did not at any time mention additional rent abatement agreements.

26. No response was received from the Food Society to the letter from the Receiver's counsel. On August 25, 2017, and October 5, 2017, the Receiver's counsel sent follow up letters requesting the documents set out in its original letter and all overdue rent. Copies of the letters from the Receiver's counsel to the Food Society (without enclosures), dated August 25, 2017, and October 5, 2017, are attached hereto as Appendices "K" and "L".
27. By email dated October 7, 2017, the Food Society responded and provided to the Receiver a copy of a Lease Amendment, dated July 17, 2017, which provides for a full rent abatement until December 1, 2017. As noted above, the Receiver was not previously made aware of any lease amendments beyond the First Lease Amendment. A copy of the email from Diana Voskanova ("Voskanova") is attached hereto as Appendix "M".
28. The Food Society's email makes reference to previous correspondence sent to the Receiver's counsel. However no such correspondence was received and each of the Receiver and its counsel confirmed that no emails were caught by their respective spam filters.
29. On October 17, 2017, the Receiver met with Voskanova, the director of the Food Society. At the meeting Voskanova advised the Receiver that the Food Society does not have any insurance coverage. The Receiver understands that the Food Society cannot obtain insurance without an occupancy permit and that an occupancy permit cannot be issued in light of the outstanding work orders at the Real Property. The Receiver will not be undertaking the completion of any construction or restoration work at the Real Property as may be necessary to close the work orders.
30. By letter dated October 18, 2017, the Receiver's counsel gave the Food Society notice that the failure to maintain insurance is a default of the Restaurant Lease and, as a result, the Restaurant Lease could be terminated pursuant to its terms. A copy of the letter from Receiver's counsel to the Food Society, dated October 18, 2017, is attached hereto as

**ALL OF WHICH IS RESPECTFULLY SUBMITTED
THIS 24th DAY OF OCTOBER, 2017.**

**A. Farber & Partners Inc. in its capacity as Court
Appointed Receiver of 222027 Ontario Inc.
and not in its personal or corporate capacity**

Per:  _____

Name: John Hendriks
Title: Managing Director

ZAHERALI VISRAM
Applicant

- and -

2220277 ONTARIO INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

**SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF A. FARBER & PARTNERS
INC. IN ITS CAPACITY AS COURT APPOINTED
RECEIVER OF 2220277 ONTARIO INC.**

DENTONS CANADA LLP

77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Kenneth Kraft (LSUC # 31919P)

Tel: (416) 863-4374

Fax: (416) 863-4592

kenneth.kraft@dentons.com

Sara-Ann Van Allen (LSUC # 56016C)

Tel: (416) 863-4402

sara.vanallen@dentons.com

*Lawyers for A. Farber & Partners Inc., Court Appointed
Receiver of 2220277 Ontario Inc.*

APPENDIX "T"
TO THE FIFTEENTH REPORT OF
THE RECEIVER

December 7, 2017

SENT VIA E-MAIL: info@besixfifty.com; stefanos@besixfifty.com; ek@alliancevp.combE SixFifty Hotel Inc.
650 Bay Street
Toronto ON M5G 1M8

Attention: Evan Karras and Stefano Karayannopoulos (General Manager)

RE: Lease, dated July 27, 2016 (the "Lease"), between 2220277 Ontario Inc. (the "Landlord") and bE SixFifty Hotel Inc. (the "Tenant")

As you aware, we are counsel to A. Farber & Partners Inc., in its capacity as the court-appointed receiver (the "Receiver") of the Landlord. All capitalized terms used but not defined herein have the meanings ascribed to them in the Lease.

Pursuant to the Lease, Rent is payable on the first day of each and every month. The Tenant failed to pay Rent in the amount of \$16,076.12 due December 1, 2017. The failure to pay Rent when due is a default under the Lease.

On behalf of the Receiver, we hereby demand payment of the overdue Rent in the amount of \$16,076.12 on or before December 12, 2017.

As previously communicated to you, and set out in the Second Supplement to the Fifth Report, dated October 24, 2017, the Tenant has failed to satisfy the Receiver that the Rent payable pursuant to the Lease was properly set off by payments allegedly made by the Tenant on behalf of the Landlord.

Should you fail to pay December's Rent on or before December 12, 2017, the Receiver reserves its right to terminate the Lease in accordance with Section 14.01 thereof.

Yours truly,
Dentons Canada LLP

Sara-Ann Van Allen

SVA/ac

Attachment

c.c. John Hendriks and Stuart Mitchell, A. Farber & Partners Inc.
Alfred Schorr

December 15, 2017

SENT VIA E-MAIL: info@besixfifty.com; stefanos@besixfifty.com; ek@alliancevp.combE SixFifty Hotel Inc.
650 Bay Street
Toronto ON M5G 1M8

Attention: Evan Karras and Stefano Karayannopoulos (General Manager)

RE: Notice of Termination of Lease, dated July 27, 2016 (the "Lease"), between 2220277 Ontario Inc. (the "Landlord") and bE SixFifty Hotel Inc. (the "Tenant")

As you aware, we are counsel to A. Farber & Partners Inc., in its capacity as the court-appointed receiver (the "Receiver") of the Landlord. All capitalized terms used but not defined herein have the meanings ascribed to them in the Lease.

Pursuant to the Lease, Rent is payable on the first day of each and every month. The Tenant failed to pay Rent in the amount of \$16,076.12 due December 1, 2017. By letter dated December 7, 2017, we demanded payment of December's overdue Rent. The failure to pay Rent when due is a default under the Lease.

On behalf of the Receiver, pursuant to Section 14.01 of the Lease, we hereby give you notice of termination of the Lease. The termination of the Lease shall take effect at noon on December 18, 2017 and vacant possession delivered to the Receiver in accordance with the terms of the Lease. In this respect, we direct you specifically to Sections 5.04 and 11.04 of the Lease and the Tenant's obligations contained therein.

As previously communicated to you, and set out in the Second Supplement to the Fifth Report, dated October 24, 2017, the Tenant has failed to satisfy the Receiver that the Rent payable pursuant to the Lease has been properly set off by payments allegedly made by the Tenant on behalf of the Landlord.

Arrangements to retrieve property belonging to the Tenant and remaining on the Leased Premises may be made by contacting the Receiver.

This notice of termination is without prejudice to any and all of the Receiver's rights and remedies under the Lease and at law.

Yours truly,
Dentons Canada LLP
Sara-Ann Van Allen

SVA

c.c. John Hendriks, A. Farber & Partners Inc.
Alfred Schorr

APPENDIX “U”
TO THE FIFTEENTH REPORT OF
THE RECEIVER

**IN THE MATTER OF THE RECEIVERSHIP OF
2220277 ONTARIO INC.
STATEMENT OF RECEIPTS AND DISBURSEMENTS
as at March 25, 2019**

\$

RECEIPTS

Stalking Horse Bid forfeited deposit	1,503,705.87
Stalking Horse Bid extension fees	65,000.00
Sale of property to Lanterra	8,500,000.00
Lanterra Sale extension fee	57,494.00
Receiver Certificate Advances	700,000.00
Court Costs Award	2,500.00
Interest	9,294.17
Rent	42,679.95
HST Refunds	150,693.65
HST collected	5,548.41

Total Receipts**\$ 11,036,916.05****DISBURSEMENTS**

Filing Fee to Official Receiver	70.00
Repayment of Receiver's certificates	700,000.00
Interest paid on Receiver's certificates	49,000.00
HST Paid	207,449.64
License Fee	275.00
Sale Process Advertising	22,000.00
Insurance	171,876.76
Appraisal fees	21,307.00
Property Taxes	151,466.02
Security	83,461.75
Storage	11,710.00
Utilities	23,329.29
Receiver Disbursements	7,688.14
Receiver Fees	714,205.00
Legal Fees	714,132.51
Bankruptcy Trustee Retainer	30,000.00
Miscellaneous	385.22

Total Disbursements**\$ 2,908,356.33****RECEIPTS IN EXCESS OF DISBURSEMENTS****\$ 8,128,559.72****Comprised of:**

First Mortgagee	7,100,000.00
Cash on Hand	1,028,559.72
	<u>\$8,128,559.72</u>

FUNDS HELD IN TRUST

Lahu/Karras settlement	70,000.00
Intact settlement	453,189.00
	<u>\$523,189.00</u>

ZAHERALI VISRAM
Applicant

- and -

2220277 ONTARIO INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

**FIFTEENTH REPORT OF A. FARBER & PARTNERS
INC. IN ITS CAPACITY AS COURT APPOINTED
RECEIVER OF 2220277 ONTARIO INC.**

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Kenneth Kraft (LSO # 31919P)
Tel: (416) 863-4374
Fax: (416) 863-4592
kenneth.kraft@dentons.com

Sara-Ann Van Allen (LSO # 56016C)
Tel: (416) 863-4402
sara.vanallen@dentons.com

*Lawyers for A. Farber & Partners Inc., Court Appointed
Receiver of 2220277 Ontario Inc.*

TAB 3

Court File No.

CV-17-11811-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ZAHERALI VISRAM

Applicant

AND

2220277 ONTARIO INC.

Respondent

AFFIDAVIT OF JOHN HENDRIKS

I, John Hendriks, CPA, CA, CIRP, LIT of the City of Toronto, in the Province of Ontario, MAKE OATH AND STATE AS FOLLOWS:

1. I am a Trustee at A. Farber & Partners Inc. and, as such, have knowledge of the matters to which I hereinafter depose.
2. A. Farber & Partners Inc. (“Receiver”) was appointed Receiver over all the assets, undertakings and properties of 2220277 Ontario Inc. pursuant to an Order of this Court made on August 1, 2017.
3. The Receiver has rendered an invoice for the period of January 1, 2019 to March 24, 2019 in the total amount of \$126,619.38. A summary of time is attached herewith as Exhibit 1. A copy of the invoice rendered is attached as Exhibit 2.

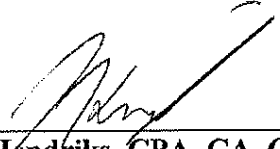
4. The total of the Receiver's fees as outlined in Exhibit 1 is \$110,937.50 together with disbursements of \$1,260.00 and H.S.T. of \$14,421.88, the sum of which equals \$126,619.38. The average hourly rate in respect of time as outlined in Exhibit 1 is \$528.27.

5. 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 27th day of March, 2019



Commissioner for Taking Affidavits



John Hendriks, CPA, CA, CIRP, LIT

**STUART FREDERIC MITCHELL, A Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Expires: November 3, 2021.**

EXHIBIT 1

**THIS IS EXHIBIT "1" TO
THE AFFIDAVIT OF JOHN HENDRIKS
SWORN BEFORE ME THIS 27th
DAY OF MARCH, 2019**



A Commissioner, Etc.

**STUART FREDERIC MITCHELL, A Commissioner, etc.
Province of Ontario, for A. Furber & Partners Inc.
Expires: November 3, 2021.**

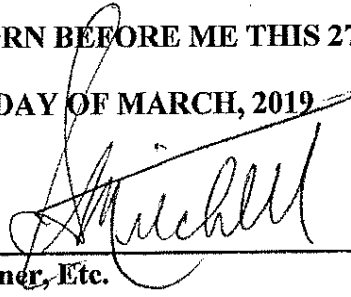
EXHIBIT 1

A. FARBER & PARTNERS INC.
2220277 ONTARIO INC.
SUMMARY OF RECEIVER'S FEES
JANUARY 1, 2019 TO MARCH 24, 2019

Name	Rate Per Hour	Total Hours	Total Fees
S. Mitchell	\$625.00	85.50	\$ 53,437.50
J. Hendriks	\$550.00	91.60	\$ 50,380.00
N. Litwack	\$425.00	2.40	\$ 1,020.00
A. Binelli	\$200.00	2.40	\$ 480.00
E. Odeh	\$200.00	4.70	\$ 940.00
L. Lloyd-Key	\$200.00	0.60	\$ 120.00
S. Samoilov	\$200.00	18.80	\$ 3,760.00
G. Schmidt	\$200.00	4.00	\$ 800.00
Total		210.00	\$ 110,937.50
<i>Average hourly rate</i>		\$ 528.27	

EXHIBIT 2

**THIS IS EXHIBIT "2" TO
THE AFFIDAVIT OF JOHN HENDRIKS
SWORN BEFORE ME THIS 27th
DAY OF MARCH, 2019**



A Commissioner, Etc.

**STUART FREDERIC MITCHELL, A Commissioner, etc.
Province of Ontario, for A. Farber & Partners Inc.
Expires: November 3, 2021.**

March 27, 2019

650 Bay Hotel (2220277 Ontario Inc.)
650 Bay Street
Toronto, ON M7A 2A3

Invoice No. 15578

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period of January 1, 2019 to March 24, 2019:

DATE	SERVICE	STAFF
01/01/2019	Consulting fees - Corporate Phone calls and email correspondence with W Smulowitz and G Feiler having to do with requests of Lanterra for changes to the Purchase Agreement and for site visits.	Mitchell
01/02/2019	Consulting fees - Corporate Meeting Mitchell re status of report and discussion of non-real estate issues to be addressed and timing of seeking direction/Court approval for distribution; call from Visram on status of offer; Coluccio re insurance; Schmidt re interested party query; call Tertigas re HVAC repairs, costs to date and future costs assuming mid-February closing	Hendriks
01/02/2019	Consulting fees - Corporate Document production.	Binelli
01/02/2019	Consulting fees - Corporate Working with S Van Allen, J Hendriks and K Kraft throughout the day on the Motion Record including the 13th Report of Receiver and the draft Order, with the intentions of trying to file the Motion and serve it by January 4th. Email correspondence and phone calls with S Van Allen and lawyers at Chaitons acting on behalf of Visram wanting to see the Purchase and Sale Agreement with Lanterra and issues about confidentiality. Approve and pay a number of invoices to do with maintenance of the hotel site. Continue to correspond with prospective buyers.	Mitchell
01/02/2019	Consulting fees - Corporate Updated sale process tracking schedule; assisted with review and revision of receiver's thirteenth report to court.	Litwack

FARBER

01/02/2019	Consulting fees - Corporate Update service list and website; Respond to interested party queries via email.	Schmidt
01/02/2019	Banking - Corporate Banking, posting.	Samollov
01/03/2019	Consulting fees - Corporate Emails from Crawford and follow up with Dentons and respond to Crawford re their request for and FOI filing on their behalf to the City of Toronto re plumbing; extensive revisions to the report and filling in blanks with Litwack re sales process contacts and to Dentons for review; emails from/to Karras and Dentons re Karras deferring January 7 meeting to January 9	Hendriks
01/03/2019	Consulting fees - Corporate Telephone call with H Chaiton regarding the distribution amount proposed to be made to Visram on closing of the sale to Lanterra; as well as confidentiality issues in terms of Visram and Chaitons and the information in the APA. Email exchanges with Crawford & Co regarding the FOIA Applications for subrogation litigation. E Karras email regarding the January 7th meeting to take place with J Hendriks and production of outstanding documents. Fee Affidavit approval. Review several redrafted 13th Report versions and provide comments to staff and lawyers. Correspondence regarding the Justice Chiappetta meetings and Productions Order to E Karras.	Mitchell
01/03/2019	Banking - Corporate Banking, posting.	Samoilov
01/04/2019	Consulting fees - Corporate Prepare first draft of offer summary and emails with Dentons re same; prepare estimated reserve from closing proceeds and what funds would be available to pay to first secured after closing; emails and edits on same after emails and calls with Dentons and Mitchell; ongoing revisions to 13th report and finalize affidavit and redacted affidavit of Receiver fees; emails and reschedule meeting with Karras to January 9 per his request	Hendriks
01/04/2019	Consulting fees - Corporate Continue to work on and attempt to finalize the Motion Record for the January 21st Hearing, including the 13th Report, Statement of Receipts and Disbursements, Exhibits and draft Order. Correspondence with E Karras, J Hendriks and S Van Allen regarding attendance and document production in compliance with the Order of Justice Chiappetta. Work on the status report requested by Justice Chiappetta for the January	Mitchell

FARBER

23 Hearing in respect of the Contempt Application regarding E Karras. Final review and approval of the Statements of Receipts and Disbursements and bank reconciliation.

01/04/2019	Banking - Corporate Banking, posting.	Samoilov
01/07/2019	Consulting fees - Corporate Telephone conversation with W Smulowitz regarding a request for the Environmental Engineering Consultants' report copy which was to have been sent pursuant to the APA as well as a new request by Lanterra for a further site visit. Approve the account and charges submitted by J Tertigas for security, HVAC repairs and supervisory access attendances. Review the Summary of Offers Exhibit for the 13th Report as prepared by J Hendriks and provide comments. Further review and approve the Motion Record draft for the January 21st Hearing. Correspondence with L Pillon of Stikemans and S Van Allen of Dentons regarding the draft Amending Agreement and comments on the Vesting Order as proposed. Work with K Kraft on a draft response to Stikemans. Ask S Van Allen to respond to the email we received from H Mannis apparently acting on behalf of E Karras.	Mitchell
01/07/2019	Consulting fees - Corporate Ongoing edits to report; draft offer summary and distribute to Mitchell and Dentons for comments; update estimate of funds available for distribution on closing from comments from Mitchell and Dentons; Tertigas re security, December billing and HVAC repairs; Mitchell and Dentons re information requests from Lanterra, changes to amending agreement, etc; email from K. Page re interest in property; preliminary review of the Lanterra Phase 1 investigation	Hendriks
01/07/2019	Consulting fees - Corporate Emails with Dentons, S Mitchell and J Hendriks regarding correspondence from lawyer from an interested party; various discussions with S Mitchell regarding same.	Litwack
01/07/2019	Banking - Corporate Banking, posting.	Samoilov
01/07/2019	Banking - Corporate Bank reconciliation for December 2018.	Lloyd-Key
01/08/2019	Consulting fees - Corporate Telephone calls and email exchanges with W Smulowitz representing Lanterra regarding production to the Receiver of the Environmental Engineer Consulting Report and a request to attend at the site for further	Mitchell

FARBER

environmental tests. Correspondence and phone calls with S Van Allen and lawyers at Stikemans regarding issues in respect of their further proposed Amending Agreement and request to view details of the 13th Report of Receiver. Again, review amendments to and approve and finally execute the further APA Amending Agreement as well as the 13th Report and Motion Record including the draft Order. Then conference call with S Van Allen, K Kraft and J Hendriks regarding those documents, reports and agreements and further requests of Stikemans and Lanterra. Review the revised version and approve for sending to Stikemans. Read the environmental report of Consulting Engineers as finally produced by W Smulowitz. Continue correspondence with all the lawyers and staff trying very hard to finalize the Agreement with Lanterra and the Motion Record until midnight whereupon matters remained unresolved.

- | | | |
|------------|--|----------|
| 01/08/2019 | Consulting fees - Corporate
Ongoing edits to report and to offer summary including redactions as necessary; emails Mitchell and Dentons re ongoing Lanterra requests for Amending Agreement and changes thereto | Hendriks |
| 01/08/2019 | Banking - Corporate
Banking, posting. | Samoilov |
| 01/09/2019 | Consulting fees - Corporate
Document production. | Binelli |
| 01/09/2019 | Consulting fees - Corporate
From very early in the morning and all day and late in the evening innumerable emails and phone calls in respect of the following: Lanterra insistence now for access to do an inspection versus previous environmental test access request by Lanterra and its lawyers at Stikemans; further proposed revisions to the Amending Agreement; correspondence from S Rappos of Chaitons on behalf of Visram regarding the January 21st Motion and proposed distribution to his client; finalize and again execute the FINAL Amending Agreement and the 13th Report and upon success instruct lawyers to serve the Motion Record late in the day. | Mitchell |
| 01/09/2019 | Consulting fees - Corporate
Review previous materials from Karras and prepare questions for today's meeting; meeting Karras re property/receivership/sales process questions generally and discuss issues he is having collecting information, more information to come on Friday and timing of January 21 attendance ordered by Chiappetta; debrief with Mitchell re Karras meeting; emails Dentons, purchaser and Tertigas re walk-through access requested for today; final comments on draft motion and | Hendriks |

FARBER

order and finalize and sign report and to Van Allen for service; Mitchell and Samoilov re status of CRA audit of Receiver's HST ITC refund claim; preliminary review of updated accounting and the legal invoices Karras emailed to me during our meeting this afternoon

- | | | |
|------------|--|----------|
| 01/09/2019 | Banking - Corporate
Phone call to CRA following up HST audit. | Samoilov |
| 01/10/2019 | Consulting fees - Corporate
Review email from L Pillon with queries regarding the CRA deemed trust claims and the adequacy of the proposed reserve. Review email from S Rappos regarding the quantum of the proposed distribution to Visram. Discuss and direct S Van Allen and J Hendriks for replies to the lawyers at Stikemans and Chaitons. Review draft of the available funds at closing reconciliation prepared by J Hendriks and provide my comments and instruct it be sent to Chaitons on the basis of strict confidentiality. | Mitchell |
| 01/10/2019 | Consulting fees - Corporate
Emails Dentons and Mitchell re ongoing queries from Stikemans re priorities and the reserve; updates to draft potential interim distribution calculation and to Dentons and Mitchell for comments; | Hendriks |
| 01/10/2019 | Banking - Corporate
Banking, posting. | Samoilov |
| 01/11/2019 | Consulting fees - Corporate
Updates to estimate distribution schedule from Mitchell comments; call from new interested party wanting access to data room notwithstanding signed deal at Court for approval and scheduled to close in February; call from interested party and CA from them to access dataroom notwithstanding signed Lanterra deal subject to Court approval and closing; email to Karras to follow up information that was to be received from accountants today | Hendriks |
| 01/11/2019 | Consulting fees - Corporate
Work with J Hendriks to finalize the draft confidential funds distribution reconciliation and send same to Dentons and to Chaitons for comments. | Mitchell |
| 01/14/2019 | Consulting fees - Corporate
Update website with Motion Record, returnable January 21, 2019. | Binelli |
| 01/14/2019 | Consulting fees - Corporate
Correspondence with S Van Allen in respect of the email from J Kasozi, lawyer for a mortgagee wanting to know undisclosed, sealed details in respect of the Lanterra APA. Discussions about the Receiver | Mitchell |

FARBER

preferring not to reveal that information and how to respond. Direct staff on updating the website with the new Motion Record. General BIA compliance, bank reconciliation review and ensuring all matters under Administration are current.

- 01/15/2019 Consulting fees - Corporate Hendriks
Binelli re website updates; Van Allen and Mitchell re subsequent mortgagee queries on sale; email to/from Karras re his meeting with accountant last Friday rescheduled to today re Intact document production; Van Allen and Mitchell re Chaitons' request for increase in interim distribution in draft Court order and re KMB advice that Karras wants to apply to Court to terminate the receivership
- 01/15/2019 Consulting fees - Corporate Mitchell
J Hendriks and S Van Allen discussions in respect of us having received no response to the document production ongoing request of E Karras as required by Justice Chiappetta. Work with J Hendriks regarding preparation of an analysis and a brief Update Memo to be provided to Justice Chiappetta on January 23, as Ordered. S Rappos and S Van Allen correspondence regarding the proposed distribution to Visram to be approved in Court next week. Correspondence from Wojtek at KMB as well as S Van Allen in respect of E Karras reporting that the mortgagee's have banded together and plan to bring a Motion next week to discharge the Receiver and to void the Agreement with Lanterra. Email correspondence with W Smulowitz and J Hendriks in respect of the request by Lanterra for a survey and other documentation related to the hotel site.
- 01/16/2019 Consulting fees - Corporate Hendriks
Email re purchaser request for any site plan materials in addition to what is in dataroom
- 01/16/2019 Consulting fees - Corporate Mitchell
Review letter from S Rappos of Chaitons regarding the Visram payout amount as well as the deletion of the without prejudice provision request. Other letter from a S Rappos regarding production, at last, of the Visram GSA and supporting evidence, which had been requested well over one year ago.
- 01/17/2019 Consulting fees - Corporate Mitchell
Discuss with J Hendriks and S Van Allen preparation of a memo to Justice Chiappetta for the January 23rd Hearing regarding the E Karras Contempt Motion. Phone call from Andy Ng, of Homegate Global Capital and prepare an email in respect thereof.
- 01/18/2019 Consulting fees - Corporate Hendriks
Email from KMB via Van Allen requesting confirmation

FARBER

that Karras has completed productions and email to Van Allen advising that is not the case; detailed review and summary of the documents provided by Karras and cross reference to his most recent spreadsheet and provide comments on adequacy of documents produced and the numerous areas where nothing produced; forward same to Mitchell and Dentons; arrange site visit requested by purchaser; website updates with Schmidt; Dentons re purchaser request to assign agreement and amend vesting order to a related party

- 01/18/2019 Consulting fees - Corporate Mitchell
Wojtek of KMB and S Van Allen discussions regarding the 9:30 am Hearing before Justice Chiappetta on January 23rd and in particular whether attendance is necessary and if all the documents needed have been provided. W Smulowitz email and phone call requesting a further site visit next Monday so that he may obtain demolition quotes; and arrange same with J Tertigas. Prepare for the Court Approval Hearing next Monday and discuss same with S Van Allen and J Hendriks. Discussion with and then review of draft prepared by J Hendriks of a summary analysis and brief text memo for submission to Justice Chiappetta on January 23rd to satisfy her Order that we provide an Update Report. Consider email from L Pillon with a last-minute request to change the name of the Purchaser on the Vesting Order to another designate of Lanterra; then discuss same with S Van Allen and provide written comments.
- 01/18/2019 Consulting fees - Corporate Schmidt
Document formatting; Update website.
- 01/21/2019 Consulting fees - Corporate Mitchell
Receive debriefing from J Hendriks regarding the Court Hearing this morning, approval of the Vesting Order and Asset Purchase Agreement as well as our fees, receipts and disbursements and activities. Discuss with J Hendriks the brief Update Report to be provided to Justice Chiappetta this week in connection with the E Karras Contempt Motion; then subsequently email my thoughts on the draft to Dentons in order to prepare for the conference call tomorrow morning directing Counsel on attendance at the January 23rd Hearing. Receive and review the Order and Endorsement received at Court today and direct staff to have it posted to our website.
- 01/21/2019 Consulting fees - Corporate Hendriks
Prepare for and attend Court re sale approval order; debrief with Mitchell; orders and endorsement from Justice Chiappetta and to Binelli to post on website; update summary of documents to date, applicability of same, outstanding, etc and prepare time line of dealing with Karras in anticipation of 'update' requested by

FARBER

Justice Chiappetta on January 23; circulate same to Mitchell and Dentons and meeting Mitchell with comments

- 01/22/2019 Consulting fees - Corporate Mitchell
Work with J Hendriks on the draft Update Report to Justice Chiappetta in the E Karras Contempt matter; then conference call with S Van Allen, K Kraft and J Hendriks to review same, revise it and prepare everyone for the Hearing tomorrow morning. Later in the day review and further amend then finalize the Report Update to be provided to Justice Chiappetta in the morning.
- 01/22/2019 Consulting fees - Corporate Hendriks
Call Mitchell and Dentons re contempt motion hearing and summary of status for update requested by Chiappetta; copies of orders and to Schmidt to update website; review and comment on van Alien amendments to timeline of dealing with Karras re contempt motion
- 01/22/2019 Consulting fees - Corporate Schmidt
Update website.
- 01/22/2019 Banking - Corporate Samoilov
Baking, posting.
- 01/23/2019 Consulting fees - Corporate Mitchell
Meet with J Hendriks and be debriefed regarding the results of the Justice Chiappetta Contempt of E Karras Chambers Hearing this morning. Read her Endorsement and instructed to be posted on our website and then direct Denton's and J Hendriks on proceeding to send the outstanding document lists to KMB, lawyers for E Karras.
- 01/23/2019 Consulting fees - Corporate Hendriks
Prepare for and attend contempt motion update before Justice Chiappetta; debrief with Mitchell; subsequent discussions with Dentons, KMB and Karras re same; endorsement from Van Allen and to Schmidt for website
- 01/24/2019 Consulting fees - Corporate Mitchell
Meet with J Hendriks to work on the accounting summary of outstanding documents to send to E Karras and KMB as Ordered by Justice Chiappetta. Then review the revised draft and arrange for it to be sent to Dentons; and then correspond about same with S Van Allen; ultimately finalizing same and directing that Dentons send it directly to KMB, lawyers for E Karras. Telephone call from Andy Ng, of Homegate Capital, regarding his ongoing interest to purchase the hotel site and his request to be introduced to Lanterra directly. As agreed I contacted W Smulowitz and provided him with

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the contact information for Mr. Ng, should he wish to communicate.

01/24/2019	Consulting fees - Corporate	Hendriks
	Update accounting summary from Karras' January 9 listing re documents outstanding and request for additional documents needed to verify Karras verbal advice; finalize and to Van Allen to circulate to KMB and Karras by tomorrow as per order of Justice Chiappetta;	
01/24/2019	Consulting fees - Corporate	Schmidt
	Update website.	
01/24/2019	Banking - Corporate	Samoilov
	Baking, posting.	
01/25/2019	Consulting fees - Corporate	Schmidt
	Update website.	
01/29/2019	Banking - Corporate	Samoilov
	Banking, posting.	
01/30/2019	Consulting fees - Corporate	Mitchell
	Correspondence during the evening and the day with J Hendriks, E Karras, J Tertigas and security personnel in respect of the broken window at the hotel site, vandalism, security needs, maintenance and repairs to ensure that the cold is kept out and the heat and water are maintained. Telephone call with W Smulowitz in respect of the anticipated February 15th closing of the sale to Lanterra.	
01/30/2019	Consulting fees - Corporate	Hendriks
	Statement and emails with City of Toronto re timing of sale and payment of property taxes; email from Karras re broken window and follow up with Tertigas to address especially due to the cold	
01/31/2019	Consulting fees - Corporate	Mitchell
	Review receipts and disbursements, bank reconciliation and ensure BIA and Court compliance with the administration. Correspondence with lawyers at Dentons and staff in respect of the upcoming closing of the sale to Lanterra and any requirements of the Receiver in anticipation thereof. Telephone call with H Chaiton regarding Visram.	
01/31/2019	Consulting fees - Corporate	Hendriks
	Follow up re broken window at premises, security report and fix; emails re party still interested if deal does not close; invoice from Firstbrook and email to Colluci re impact of planned Feb 15 sale on the Feb premium	
02/01/2019	Consulting fees - Corporate	Hendriks
	Web updates with Schmidt; update report on broken	

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window from Tert & Ross; Tert & Ross January invoice; complete FOI request form on behalf of Intact as approved by Van Allen

02/01/2019	Consulting fees - Corporate	Litwack	Correspondence with party looking for update on sale process; revised case website language for posting.
02/01/2019	Consulting fees - Corporate	Schmidt	Update website.
02/01/2019	Consulting fees - Corporate	Mitchell	Correspondence with S Van Allen regarding Crawford and Co's request for us to complete the FOIA Application in respect of the subrogation claim. L Samoilov emails to follow up on the HST audit. Email exchanges with W Smulowitz about performing the DSS environmental work requested by Lanterra; correspond with lawyers at Dentons and J Hendriks about this and consider the need for an Indemnification Agreement.
02/01/2019	Banking - Corporate	Samoilov	Phone call to CRA following up HST audit.
02/04/2019	Consulting fees - Corporate	Hendriks	Call from Visram and email to Dentons re expected timing of closing and flow of funds including the Court-approved interim payment; email Dentons re direction of funds on closing; email to City requesting payout statement as of February 15 and per diem; emails Mitchell re Lanterra request to conduct environmental testing before closing;
02/04/2019	Consulting fees - Corporate	Mitchell	Correspondence with W Smulowitz after having spoken to lawyers at Dentons to advise that no, the Receiver will not allow Lanterra to perform the DSS work as requested. Work with J Hendriks and S Van Allen on the analysis of funds to be allocated for payments and for distribution to Visram, and the City regarding taxes and so on all in anticipation of the closing of the sale to Lanterra.
02/05/2019	Consulting fees - Corporate	Hendriks	Emails Tert & Ross and Firstbrook and forward to Samoilov for payment; emails re City of Toronto property tax payout on planned Feb 15, 2019 closing
02/05/2019	Banking - Corporate	Samoilov	Phone call to CRA re. HST audit. Banking, posting.
02/06/2019	Consulting fees - Corporate	Hendriks	Email from/to Dentons re purchaser request for extension to Feb 28; update to projected costs and per diems and provide comments to Denton on Receiver

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position before and after Dentons call with Stikemans

- 02/06/2019 Consulting fees - Corporate Mitchell
Numerous emails between me, S Van Allen, K Kraft, J Hendriks and L Pillon of Stikemans, lawyer for Lanterra, regarding a request by the Buyer for an extension to close on February 28th instead of February 25th; including discussions on the need for an increased deposit, increased interest charges and other terms to be put into an Amending Agreement. Correspondence with N Edell regarding payout of the Receiver Certificates now being deferred to February 28th.
- 02/06/2019 Banking - Corporate Samoilov
Prepare and forward to CRA requested documentation re. HST audit.
- 02/07/2019 Consulting fees - Corporate Hendriks
Emails with Mitchell and Dentons re final agreement to extend closing.
- 02/07/2019 Consulting fees - Corporate Mitchell
Emails with L Pillon of Stikemans regarding the Amending Agreement with Lanterra resulting from the closing extension request. Direct J Hendriks and Dentons to inform Chaitons and the Receiver Lender and N Edell to update them on the closing extension.
- 02/07/2019 Banking - Corporate Samoilov
Banking, posting.
- 02/08/2019 Consulting fees - Corporate Binelli
Document production.
- 02/08/2019 Consulting fees - Corporate Hendriks
Email to Karras re accounting, support and explanations for non-productions/effort to obtain documents due by end of day; call Receiver Certificate funder re extension of closing; Litwack re purchaser request for additional documents including insurance forms; email to Dentons re no report/accounting/supporting documents received from Karras as of 5:30 p.m.
- 02/08/2019 Consulting fees - Corporate Litwack
Email correspondence regarding request to look into status of data room from purchaser; liaised with admin staff and confirmed accessibility for same; discussions with J Hendriks regarding insurance information request from purchaser.
- 02/08/2019 Consulting fees - Corporate Mitchell
Correspondence with N Litwack, W Smulowitz and J Hendriks regarding a renewed access to the Data Room request by Lanterra in particular to learn of certain information needed for insurance coverage. J Hendriks

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correspondence with E Karras regarding the Order of Justice Chiappetta requiring delivery of certain documents to us by today and instruct Dentons to confirm the non-compliance in writing to KMB, lawyers for E Karras.

- 02/09/2019 Consulting fees - Corporate Hendriks
Preliminary review of email received today from Karras re accounting and his direction that Receiver should go find the mortgage documents itself; forward to Dentons and Mitchell
- 02/09/2019 Consulting fees - Corporate Mitchell
Review email, with lengthy attachments, from E Karras to do with the most recent spreadsheet and document production as ordered by Justice Chiappetta; then direct J Hendriks and S Van Allen on responding.
- 02/11/2019 Consulting fees - Corporate Hendriks
Detailed review of materials and new schedule of accounting of Intact proceeds from Karras and try to source missing materials from other sources; draft summary of response and to Dentons for review; email comments on schedule from/to Dentons; emails and review of final extension agreement, sign and forward to Dentons
- 02/11/2019 Consulting fees - Corporate Mitchell
Correspond with Dentons about the form of the Amending Agreement for Lanterra to sign in connection with its extension request and resultant complications. Discussions regarding the latest spreadsheet and document production by E Karras, the noted deficiencies and directing staff and lawyers to draft a response including to E Karras and to KMB. Organize a conference call with Dentons and J Hendriks for tomorrow to settle on the form of response.
- 02/12/2019 Consulting fees - Corporate Hendriks
Call Dentons re accounting provided by Karras and Receiver's review thereof in preparation for Justice Chiappetta on Friday; call Mitchell and Dentons re same; email from/to Karras confirming receipt of email over the weekend; updates to Receiver's summary schedule per comments from Mitchell and Dentons; email City of Toronto re extended closing date
- 02/12/2019 Consulting fees - Corporate Mitchell
Review further email from E Karras in respect of his submission a few days ago; then review the detailed comments appended to the spreadsheet by J. Hendriks and prepare for conference call. Conference call with J Hendriks and S Van Allen to settle on how to respond and what to state in the ongoing exchanges with E Karras, his lawyers KMB and the requested update

FARBER

reports for Justice Chiappetta.

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|------------|-----------------------------|--|
| 02/13/2019 | Consulting fees - Corporate | Hendriks
ongoing updates to Receiver position/summary on Karras productions to date under the contempt action endorsements; Tertigas re extended closing and necessity for extended security; new claims (2017 and 2016) on two alleged 55 Elm Street accounts that 'were missed' by City of Toronto that they want paid on closing of the sale; to Schmidt to compare to what was previously paid by Receiver, which accounts Receiver was aware of and to request back up from City; call from Ramachandran re potential structures of stalking horse bid |
| 02/13/2019 | Consulting fees - Corporate | Mitchell
City of Toronto, J Hendriks and G Schmidt emails regarding the outstanding utility accounts previously not disclosed. Further emails between Farber and Dentons regarding the latest E Karras submission and the upcoming Contempt Hearing, including a cost submission to Justice Chiappetta. S Van Allen and KMB emails reviewing her email and attachment to W Jaskiewicz and provide comments thereon. |
| 02/14/2019 | Consulting fees - Corporate | Hendriks
Receiver funding review with Samoilov; emails Van Allen re timing of extension carrying costs payments; Dentons re speaking points to report to Justice Chiappetta tomorrow; emails Dentons and KMB re relief being sought at tomorrow's contempt hearing; costs submissions summary as requested by Dentons; follow up with Samoilov re receipt of additional deposit re extended closing |
| 02/14/2019 | Consulting fees - Corporate | Schmidt
Locate specific invoices as per L Samoilov's request. |
| 02/14/2019 | Consulting fees - Corporate | Mitchell
Correspond with J Hendriks and S Van Allen regarding the amendments needed to the draft Statement of Adjustments necessitated by the extended closing date requested by Lanterra. Correspond with Dentons, KMB and Farber staff regarding the Contempt Hearing update set for tomorrow in front of Justice Chiappetta. Receive the increased Lanterra deposit and direct staff on banking and accounting for same. |
| 02/14/2019 | Banking - Corporate | Samoilov
Banking, posting. |
| 02/15/2019 | Consulting fees - Corporate | Hendriks
Review comments last night from Karras on Receiver's notes re document productions; update schedule for Justice Chiappetta in response to same; prepare for and |

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attend before Justice Chiappetta re contempt motion; meeting Dentons, Karras and KMB thereafter re records and closing timing; call from Visram re closing; update of call from Visram to Dentons and version to Rappos re extension; Visram and Rappos re request to purchaser to release the deposit now so portion of Court-approved interim distribution to Visram may be made; Dentons re Lanterra request to assign agreement to a newco;

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|------------|--|-----------|
| 02/15/2019 | Consulting fees - Corporate | Mitchell |
| | Receive from KMB last-minute updated comments from E Karras on the Receiver's notes about the deficiencies in the status of the accounting as to be reported at the Court Hearing today. Received from Stikemans request for a formal Assignment of the Asset Purchase Agreement from Lanterra to a related party and instruct Dentons accordingly. Review the Endorsement of Justice Chiappetta made this morning. Correspond with J Hendriks and S Van Allen about the telephone call received today from A Visram upset about the extension to February 28th which he apparently had no knowledge of and direct Dentons and Farber to communicate same to S Rappos at Chaitons but otherwise to take no action. | |
| 02/19/2019 | Banking - Corporate | Samoilov |
| | Phone call from CRA re. HST audit. | |
| 02/20/2019 | Consulting fees - Corporate | Hendriks |
| | Call from Murphy re interested party and status of existing Court-approved offer | |
| 02/20/2019 | Banking - Corporate | Samoilov |
| | Banking, posting. | |
| 02/20/2019 | Banking - Corporate | Lloyd-Key |
| | Bank reconciliation for January. | |
| 02/21/2019 | Consulting fees - Corporate | Hendriks |
| | Schmidt re new property tax accounts recently 'located' by City of Toronto; preliminary review of draft statement of adjustments from Dentons; Samoilov re interest credit due to purchaser; updates to statement of adjustments | |
| 02/21/2019 | Consulting fees - Corporate | Mitchell |
| | Received from Dentons and review the draft revised Statement of Adjustments and updated accruals; then direct on interest calculation updates and other matters and provide comments. | |
| 02/22/2019 | Consulting fees - Corporate | Hendriks |
| | Ongoing calls, emails and document review to update statement of adjustments; coordinate with Schmidt and Tertigas re planned sale for next week and need for utilities cut offs and transfer of security to purchaser after | |

FARBER

closing; calls and emails City of Toronto re the two old arrears accounts recently linked to 650 Bay

- 02/22/2019 Consulting fees - Corporate Mitchell
Continue working on and commenting on the draft Statement of Adjustments including accruals and consider the related comments throughout the day by S Van Allen, K Kraft, J Hendriks and L Samoilov.
- 02/22/2019 Banking - Corporate Samoilov
Banking.
- 02/25/2019 Consulting fees - Corporate Schmidt
Contact Enbridge and Toronto Hydro to arrange final meter readings; Respond to third party enquiry.
- 02/25/2019 Consulting fees - Corporate Hendriks
Ongoing calls and emails with counsels re closing adjustments, closing documents, etc; query from party interested in buying property if current bid does not close
- 02/25/2019 Consulting fees - Corporate Mitchell
Arrange utility readings and direct staff including correspondence with S Van Allen, J Hendriks and S Godery regarding even further revisions to the draft Statement of Adjustments. Email correspondence with N Edell on the anticipated payout now scheduled for March 1. S Rappos correspondence attaching a Direction from Visram for the Distribution Order. Correspond with Dentons on the various closing documents, review same and proposed amendments and finally approved for execution. As well direct regarding the key hand over after closing and the confirmation of the closing proceeds being held in escrow pending registration of the title change.
- 02/26/2019 Consulting fees - Corporate Hendriks
Schmidt re meter readings and hand-over of accounts upon closing scheduled for Thursday; City of Toronto updates on property taxes; follow up with City re new assessments on recently linked utility accounts and confirm the older one was before the unpaid balances became charges on the property and that the more recent one will be reversed as premises were vacant in 2017; meeting Mitchell re closing and re outstanding issues re Karras; calls and emails Dentons re changes to approach for statement of adjustments and various closing documents; prepare documents for Samoilov to prepare cheques due immediately after closing re Court-approved fees, 2017/2018 property tax arrears, funding certificates with interest accrued to closing, secured distribution approved by Court and redirection of a portion to Chaitons signed by Visram; call from Visram on status and timing of cheques to be available

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- after closing, call from Tertigas re premises hand-over matters;
- 02/27/2019 Consulting fees - Corporate Schmidt
Confirmed final meter reading details with Toronto Hydro.
- 02/27/2019 Consulting fees - Corporate Hendriks
Numerous calls and emails throughout day and review, amend, finalize, sign and deliver closing documents to Dentons; same re additional undertaking requested by Stikemans; Tertigas and Schmidt re hand-over upon closing tomorrow; issue with closing documents re some in personal name versus name of the Receiver;
- 02/27/2019 Banking - Corporate Samoilov
Banking, posting.
- 02/28/2019 Consulting fees - Corporate Hendriks
Numerous calls and emails throughout day leading up to closing late afternoon; Mitchell and Samoilov re confirming funds received to close and preparation of wire transfers and cheques to be issued tomorrow; calls and email from Visram re expected timing of closing and availability of funds he requires for another matter scheduled to close today; call Firstbrook re cancelling insurance and preparation and submission of change form and relief from final payment that was due Feb 26 but could not be prorated; Mitchell and Samoilov re HST audit still outstanding and further follow up requested by CRA; Pilon and Tertigas re property hand-over issues
- 02/28/2019 Consulting fees - Corporate Mitchell
Supervise the lawyers, staff, bankers and bookkeepers on the sale to Lanterra closing which finally was completed very late in the afternoon. Subsequent email exchange with S Van Allen setting out the remaining issues to be concluded in order for us to eventually proceed for discharge; and schedule a meeting for early next week to confer on that and to plan for what is now an April 8th Hearing, the March 19th Hearing date having been changed to April 8th in an effort to, in the interim, finalize all matters and hopefully move for a Distribution Order and Discharge Order in April.
- 02/28/2019 Banking - Corporate Samoilov
Banking, posting.
- 03/01/2019 Consulting fees - Corporate Hendriks
Post-closing transfer issues re security, insurance and utilities to purchaser with Tertigas and Schmidt; Samoilov and CIBC re cheques/wires of Receiver disbursements from closing proceeds; meeting Visram re secured debt partial repayment and repayment of Receiver Certificate #1; Samoilov re payment of 2017

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and 201 property taxes, receipt and forward to purchaser as requested; Mitchell and Dentons re moving date of distribution hearing and re next week's contempt hearing

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| 03/01/2019 | Consulting fees - Corporate | Mitchell |
| | Receive through J Hendriks the email from E Karras with yet another updated spreadsheet and support documents; then review and comment on same. | |
| 03/01/2019 | Consulting fees - Corporate | Schmidt |
| | Telephone calls to Toronto Hydro, Enbridge & City of Toronto to ensure final meter readings were complete and provide them with new owner details. | |
| 03/01/2019 | Banking - Corporate | Samoilov |
| | Banking, posting; attend City Hall to pay a Property Tax; attend CIBC to pick up the bank drafts. | |
| 03/04/2019 | Consulting fees - Corporate | Mitchell |
| | Review the Bank Reports provided by L Samoilov. Review J Hendriks summary comments on the latest E Karras submissions and prepare for a conference call with J Hendriks, S Van Allen and K Kraft with respect to the Hearing for the Contempt Motion in front of Justice Chiappetta on Wednesday morning. Have the conference call. Work with J Hendriks and then review his draft analysis of the remaining cash, accruals and anticipated further distributions needed; and the legal opinions required from Dentons regarding the CRA Trust claims versus the priority claimed by Visram under his first Mortgage Charge. Review the legal and Receiver Bills of Costs for submission to Justice Chiappetta this Wednesday at the Hearing. | |
| 03/04/2019 | Consulting fees - Corporate | Hendriks |
| | Email and photos from Tertigas re closing last Thursday; follow ups from Tertigas re purchaser has not contacted them for security transfer and taking over the keys; preliminary review of additional documents and new schedule provided by Karras on Friday night; further review and summary of the documents to Mitchell; updates to schedule and forward to Dentons in preparation of call; call Dentons and Mitchell re contempt motion; email Dentons re CRA potential priorities; prepare summary of Intact receipts and allocations to the coverage lines/entities and to Mitchell and Dentons for comment | |
| 03/04/2019 | Banking - Corporate | Samoilov |
| | Banking, posting. | |
| 03/05/2019 | Consulting fees - Corporate | Mitchell |
| | Work with J Hendriks to refine the commentary on what we accept and what we do not accept from E Karras, in | |

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terms of his accounting and support documents as rendered. Work with S Van Allen to refine the precise details to be conveyed by her to Justice Chiappetta at the Contempt Hearing tomorrow morning.

- 03/05/2019 Consulting fees - Corporate Hendriks
 Updates to Receiver costs summary on contempt motion requested by Dentons re additional hearing; HST with Samoilov; site keys and passes with Tert & Ross; review of legal cots outline and planned speaking points from Van Allen for tomorrow's status report to Justice Chiappetta; emails Mitchell and Dentons re Karras level of compliance to the contempt motion including order to disgorge the pre-receivership receipts
- 03/05/2019 Banking - Corporate Samoilov
 Banking, posting; phone call to CRA to confirm RT0001 acc. balance.
- 03/06/2019 Consulting fees - Corporate Mitchell
 Read the Endorsement of Justice Chiappetta following the Hearing this morning on the E Karras Contempt Motion matter and be debriefed on that Hearing by J Hendriks. Phone call from W Smulowitz to discuss post closing matters.
- 03/06/2019 Consulting fees - Corporate Hendriks
 Prepare for hearing with updates to summary of review of documents provided to date and tracing to payment advices provided by Karras; attend contempt hearing before Justice Chiappetta including her ordered stand down and discussions with Jaskiewicz and Karras; discussions Mitchell re same; call from City and emails City and Samoilov re arrears payment clearing; email via Schmidt re request to co-develop property
- 03/06/2019 Consulting fees - Corporate Binelli
 Update website and client file with most recent Court documents.
- 03/06/2019 Banking - Corporate Samoilov
 Phone call to City of Toronto - collections following up on property tax payment; review e-mail from M. Barci from the City of Toronto re. the same.
- 03/07/2019 Consulting fees - Corporate Odeh
 Made amendments to Estimated Funds document as instructed by Stuart.
- 03/07/2019 Consulting fees - Corporate Hendriks
 Meeting Mitchell re funds on hand schedule and updates with Odeh; Mitchell re updated SRD and follow up with Samoilov; Mitchell re Intact proceeds allocations and updates to schedule; Mitchell re Justice Chiappetta order for Receiver to prepare report for Karras

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response; Mitchell and Samoilov re bankruptcy retainer

03/07/2019	Consulting fees - Corporate Document production.	Binelli
03/07/2019	Consulting fees - Corporate Review, edits, and amend the four spreadsheet drafts prepared by J Hendriks: the Statement of Receipts and Disbursement; the Estimated Potential Funds Available; the Intact damages payments made Allocation; and the Analysis of information provided by E Karras in respect of alleged payments claimed to have been made using the Intact settlement proceeds and on behalf of 222.	Mitchell
03/08/2019	Consulting fees - Corporate Making a number of changes to Estimated Statement of Receipts and Disbursements as instructed by Stuart M.	Odeh
03/08/2019	Consulting fees - Corporate Ongoing edits to cash on hand, Intact insurance proceeds allocations and status update with cash on hand and potential receipts and disbursements for Mitchell and his upcoming discussion with Chaiton re same; detailed summary of Receiver position on documents provided by Karras pursuant to the contempt motion as ordered by Justice Chiappetta and to Mitchell for review; Edell re Receiver Certificate wire payment confirmations	Hendriks
03/08/2019	Consulting fees - Corporate Continue working on and revising the four spreadsheets including the Statement of Receipts and Disbursement, the Funds Available Analysis, the Intact payments analysis, and the E Karras alleged payments on behalf of 222 summary. Finalize those four spreadsheets then email them to the lawyers at Dentons and Chaitons for discussion purposes.	Mitchell
03/08/2019	Banking - Corporate Update R&D for March 08, 2019; banking, posting.	Samoilov
03/11/2019	Consulting fees - Corporate Ongoing updates to potential distribution, SRD, Intact proceeds allocations and review of Karras documentation schedules with Mitchell and Odeh; forward to Dentons for tomorrow's meeting; Lanterra re security hand-over;	Hendriks
03/11/2019	Consulting fees - Corporate Make amendments to document in relation to EK claims including amending amounts, reformatting and making amendments to the text as per instructions from Stuart M.	Odeh
03/11/2019	Consulting fees - Corporate	Mitchell

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Continue working on revising and conferring with about the four spreadsheets prepared to map out what needs to be done to complete the Receivership.

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| 03/12/2019 | Consulting fees - Corporate
prepare for and attend extended meeting with Mitchell and Dentons re status, outstanding items, contempt and document production issues, other issues to resolve by April 8 hearing, etc; updates to schedules as discussed and re-circulate | Hendriks |
| 03/12/2019 | Consulting fees - Corporate
Prepare for and then attend an 11 a.m. meeting at the offices of Dentons with J Hendriks, S Van Allen and K Kraft which lasted until 2 p.m. to review the four spreadsheets; work on a sworn Report in respect of E Karras and the Contempt Motion as ordered by Justice Chiappetta; work on the Court Report and Motion Record for the April 8th Hearing. J Hendriks and J Tertigas emails regarding the final cleanup of accounts for the maintenance, security and other matters related to the real property. | Mitchell |
| 03/12/2019 | Banking - Corporate
Banking, posting. | Samoilov |
| 03/13/2019 | Consulting fees - Corporate
Approve and pay the final invoices from suppliers of maintenance and security. Meet H Chalton and in detail review the four spreadsheets prepared which set out the financial information needed at this juncture and seek his concurrence on the planned approach for the next Motion scheduled for April 8th. Subsequently debrief Dentons lawyers and J Hendriks on the meeting with H Chalton. Review the draft Report to Court on the Contempt matter and answer S Van Allen's queries. | Mitchell |
| 03/13/2019 | Banking - Corporate
Banking, posting. | Samoilov |
| 03/14/2019 | Consulting fees - Corporate
Add digital signature to court report, convert document to PDF and emailed to solicitors. | Odeh |
| 03/14/2019 | Consulting fees - Corporate
Emails to and from lawyers at KMB and Dentons and Chaitons regarding the settlement offer now having been made by E. Karras in respect of the trust funds held by the Receiver. Further review, edit and advise Dentons on the 14th Report to Court and continue to work on it throughout the day in an effort to finalize it and serve it. Email documents to H Chaiton, at his request, so he can review same with Visram regarding the proposed trust fund proceedings. | Mitchell |

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03/14/2019	Banking - Corporate Bank reconciliation for February 2019.	Lloyd-Key
03/15/2019	Banking - Corporate Banking.	Samoilov
03/18/2019	Consulting fees - Corporate Update the website.	Binelli
03/18/2019	Consulting fees - Corporate A Visram and S Rappos correspondence and then involving S Van Allen wanting information on E Karras' holdings and the Receivers funds held in trust. Generally, start working on the 15th Court Report.	Mitchell
03/18/2019	Banking - Corporate Banking. Prepare T2 short for Dec 31, 2018; banking.	Samoilov
03/20/2019	Consulting fees - Corporate Prepared draft SRD and 246(2) report for Interim Receiver Report.	Odeh
03/20/2019	Consulting fees - Corporate Work on the 15th Report to Court and the Motion Record. Reviewed Dentons legal opinion on A Visram's GSA.	Mitchell
03/21/2019	Consulting fees - Corporate Scanned and saved letter from City of Toronto, Discussion with Stuart M, emailed to solicitor to forward to purchaser.	Odeh
03/21/2019	Consulting fees - Corporate Work on the 15th Court Report and Motion Record and related Exhibits. Discussions with KMB and Dentons regarding a verbal settlement offer made by E Karras and direct that the offer be put in writing.	Mitchell
03/21/2019	Banking - Corporate Banking.	Samoilov
03/22/2019	Consulting fees - Corporate Continue to work on the revised 15th Report together with the draft Order and Exhibits and attachments and provide further edits and proposed notes to draft to the lawyers and staff working on this including S Van Allen and J Hendriks and K Kraft.	Mitchell
03/22/2019	Banking - Corporate Phone call to CRA following up HST refund.	Samoilov
03/23/2019	Consulting fees - Corporate Working on the 15th Report to Court.	Mitchell
03/24/2019	Consulting fees - Corporate	Mitchell

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Consider further edits and the further revised draft 15th Court Report, review what S Van Allen provided and continue to amend and provide comments.

Expenses: Photocopies, faxes, etc. (including HST)	Total for Services	\$ 110,937.50
	Total for Expenses	<u>1,260.00</u>
	Subtotal	
	HST	<u>14,421.88</u>
	Current Amount Due	<u>\$ 126,619.38</u>

HST#136800752RT0001

A. FARBER & PARTNERS INC.

650 BAY HOTEL (2220277 ONTARIO INC.)

SUMMARY OF TIME INCURRED JANUARY 1, 2019 TO MARCH 24, 2019

Name	Total Hours	Rate Per Hour	Billing
S. Mitchell	85.50	\$625.00	\$53,437.50
J. Hendriks	91.60	\$550.00	\$50,380.00
N. Litwack	2.40	\$425.00	\$1,020.00
A. Binelli	2.40	\$200.00	\$480.00
E. Odeh	4.70	\$200.00	\$940.00
L. Lloyd-Key	0.60	\$200.00	\$120.00
S. Samoilov	18.80	\$200.00	\$3,760.00
G. Schmidt	4.00	\$200.00	\$800.00
Total	210.00	average rate	\$110,937.50
		\$528.27	

ZAHERALI VISRAM
Applicant

- and -

2220277 ONTARIO INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF JOHN HENDRIKS
(sworn March 27, 2019)

DENTONS CANADA LLP
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*Lawyers for A. Farber & Partners Inc., Court Appointed
Receiver of 2220277 Ontario Inc.*

TAB 4

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ZAHERALI VISRAM

Applicant

– and –

2220277 ONTARIO INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C-43, AS AMENDED

AFFIDAVIT OF JOHN SALMAS
(Sworn March 28, 2019)

I, **JOHN SALMAS**, of the City of Toronto, in the Province of Ontario, **SWEAR AND**

SAY AS FOLLOWS:

1. I am a Partner with Dentons Canada LLP ("**Dentons**"), as such, I have knowledge of the matters to which I hereinafter depose.
2. Pursuant to an Order dated August 1, 2017 (the "**Receivership Order**"), A. Farber & Partners Inc. was appointed as receiver (the "**Receiver**") of the assets, properties and undertakings of 2220277 Ontario Inc.
3. The Receiver retained Dentons as counsel to advise it with regard to the matters related to its appointment and the exercise of its powers and performance of its duties.

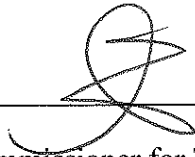
4. The Receivership Order provides at paragraph 17 that the Receiver, and counsel to the Receiver, shall be paid their reasonable fees and disbursements at their standard rates and charges.
5. The fees and disbursements of Dentons for the period of January 1, 2019 to February 28, 2019 (the “**Fee Period**”), are set out in the invoices rendered to the Receiver (collectively, the “**Invoices**”). The Invoices are a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Dentons. Attached and marked as **Exhibit “A”** hereto are the Invoices.
6. Attached and marked as **Exhibit “B”** hereto is a schedule summarizing the Invoices, the total billable hours charged per invoice, the total fees charged per invoice along with the average hourly rate charged per invoice.
7. Attached and marked as **Exhibit “C”** hereto is a schedule summarizing the respective years of call and standard billing rates of each of the lawyers at Dentons who acted for the Receiver.
8. To the best of my knowledge, the rates charged by Dentons throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.
9. I make this affidavit in support of the motion for, among other things, approval of the fees and disbursements of the Receiver’s counsel and for no other or improper purpose.

SWORN before me at the City of Toronto
in the Province of Ontario, this 28th day of
March, 2019.

A Commissioner for Taking Affidavits, etc.

} _____
JOHN SALMAS

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF JOHN SALMAS
SWORN BEFORE ME THIS 28th DAY OF MARCH,
2019.

A handwritten signature in black ink, consisting of a large, stylized letter 'S' with a loop at the top and a horizontal line extending to the right.

A Commissioner for Taking Affidavits, etc.

A. Farber & Partners Inc.
150 York Street
Suite 1600
Toronto, ON M5H 3S5
Attention: Stuart Mitchell**INVOICE # 3405379**GST/HST # R121996078
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
January 31, 2019	559456-000003	Michael Davies

A. Farber & Partners Inc.
Re: A. Farber & Partners Inc. in its capacity as Court Appointed
Receiver of 2220277 Ontario Inc.

Professional Fees	\$ 35,898.00
Disbursements	920.45
HST (13.0%) on \$36,818.45	<u>4,786.40</u>
Total Amount Due	<u>\$ 41,604.85 CAD</u>

DENTONS CANADA LLPPer: **Michael Davies**

Payment Options:	
<p><u>Cheques:</u> Cheques payable to Dentons Canada LLP and mailed to the above noted address.</p> <p><u>Wire Transfer:</u> Bank of Montreal 1st Canadian Place, Toronto, ON Swift Code: BOFMCAM2 Bank ID: 001 Transit: 00022 CAD Funds Bank Account : 0004-324</p>	<p><u>Internet Banking:</u> Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 559456. Please email us at Edm.Accounting@dentons.com referencing invoice number and payment amount.</p> <p><u>Credit Card:</u> Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one). Card No. _____ Expiry Date: _____ Amount: _____ Cardholder Name: _____ Signature: _____</p>
<p>Please email us at AR.Canada@dentons.com referencing invoice number and payment amount. Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.</p>	

We are very grateful to have you as a client and appreciate your business.
 Please provide your feedback to us at www.dentons.com/en/clientfeedbackcanada

Invoice Detail

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

Date	ID	Description of Work	Hours
05-Dec-18	SG	Correspondence regarding sale closing with Sara-Ann Van Allen	0.2
02-Jan-19	SV	Draft notice of motion. Review revised report and email to John Hendriks and Stuart Mitchell. Review and respond to emails regarding distribution. Review and finalize appendices. Review updated subsearch in respect of real property. Review and respond to email from Stuart Mitchell regarding update from Chaitons. Review and respond to email from John Hendriks regarding call with Visram. Update service list and forward to Stikemans. Emails regarding call with Stikemans.	3.3
02-Jan-19	AF	Obtain updated parcel register and forward same to Sara Van Allen.	0.2
02-Jan-19	KK	E-mails on various issues.	0.4
03-Jan-19	SV	Review and respond to various emails regarding the Thirteenth Report and distribution. Receipt and review of revised Thirteenth Report from John Hendriks. Revise Thirteenth Report and email to Farber. Emails regarding Crawford & Co Freedom of Information Request.	4.3
03-Jan-19	KK	E-mails related to distribution issues, Crawford & Co Freedom of Information request, and discussions with Visram and Chaitons. Further e-mails related to report issues and on Karras compliance with records' production.	0.8
04-Jan-19	SV	Review and respond to various emails regarding 13th Report, distribution and R&D. Revise Report and email. Review and revise draft notice of motion and email. Further revise Report and Notice of Motion. Emails regarding booking March motion date and prepare request form. Call with Stikemans regarding vesting order and sale transaction.	4.0
04-Jan-19	KK	Working on draft report and numerous related e-mail exchanges on issues to be addressed and to follow up on Evan Karras compliance issues and to determine appropriate reserves. E-mail exchanges with Scott Brasil and conference call with him and Liz Pillon and Sara-Ann Van Allen to discuss transaction and court issues to approve Lanterra transaction.	1.4
05-Jan-19	MD	Engage in affidavit re court application.	0.4
07-Jan-19	SV	Review and consider email from Stikemans regarding amending agreement and AVO. Email to Stikemans regarding service list. Receipt and review of summary of offers and email to John Hendriks regarding same. Email to Farber regarding amending agreement and other matters. Review and respond to various emails from Stuart Mitchell and Ken Kraft regarding amending agreement and order. Review email from John Hendriks regarding tax arrears and amend report. Emails regarding motion date booked. Emails regarding email from Howard	4.6

Date	ID	Description of Work	Hours
		Manis and email to Howard Manis. Revise amending agreement. Review and respond to emails regarding site testing. Emails regarding responding email to Stikemans and send same.	
07-Jan-19	KK	Numerous e-mails and review draft amending agreement and related e-mails, and responses.	0.8
08-Jan-19	SV	Review emails from Stikemans regarding service list and amending agreement. Revise service list and forward to Stikemans. Review environmental report. Various emails regarding amending agreement. Review further email from Stikemans regarding service list and amend same. Review and revise offer summary and email to John Hendriks regarding same. Call with Stuart Mitchell and John Hendriks regarding amending agreement. Review and finalize motion record.	3.5
08-Jan-19	KK	Review report revisions and confidential appendix draft on previous offers. Various e-mails on Lanterra amendments. Review Phase 1 summary. E-mails around amending agreement and telephone call with Stuart Mitchell, John Hendriks, and Sara-Ann Van Allen. Review and consider proposed note. Exchanges related to site access issues and whether limited to inspection or including testing.	2.0
09-Jan-19	SV	Various emails regarding walkthrough and amending agreement. Call with Stikemans regarding amending agreement. Email to Stuart Mitchell regarding call with Stikemans. Receipt and review of revised amending agreement and further revise. Forward amending agreement to Stuart Mitchell. Emails to and from Seher Godhar regarding inspection rights. Call from Stuart Mitchell. Email to Stikemans regarding amending agreement. Receipt of executed amending agreement. Revise and finalize 13th Report. Call from Stuart Mitchell regarding Report and further revise. Finalize notice of motion and draft orders. Review motion record. Review motion record scan. Email to service list.	4.5
09-Jan-19	SG	Correspondence regarding inspection and environmental testing by the Purchaser with Sara-Ann Van Allen.	0.5
09-Jan-19	KK	Numerous e-mails related to Lanterra access request and to finalizing draft further amendment to purchase agreement and reviewing proposed language related to obligations and from Chaitons in regard to Visram's position. Reviewing revisions to and finalizing of 13th report.	0.7
10-Jan-19	SV	Emails regarding deemed trust amounts. Email to Liz Pillon regarding deemed trust amounts. Email from Sam Rappos regarding distribution. Review reconciliation of distribution amounts. Call with Sam Rappos regarding distribution. Discussion with Ken Kraft regarding contempt hearing. Email to John Hendriks regarding meeting with Evan Karras.	0.9
10-Jan-19	KK	E-mails related to reserve and HST issues. Brief update discussion with Michael Davies on borrowing limits under current order. Follow up on meeting with Karras. Review proposed distribution schedule and provide comments.	0.5

Date	ID	Description of Work	Hours
11-Jan-19	SV	Review revised distribution reconciliation and emails regarding same. Email to Sam Rappos regarding reconciliation and review responding email. Forward reconciliation to Sam Rappos. Review and respond to email from Stuart Mitchell regarding environmental report and email from Ken Kraft regarding same.	0.4
11-Jan-19	KK	Review draft of updated distribution schedule. E-mails related to environmental report.	0.3
12-Jan-19	KK	John Hendriks update on status of information received from Evan Karras.	0.1
14-Jan-19	SV	Review and respond to email from Joan Kasozi and emails to and from Stuart Mitchell regarding same. Call from ALPA Stairs and email to Stikemans regarding same.	0.4
14-Jan-19	KK	E-mail exchanges related to requests from subsequent mortgagees to know purchase price.	0.3
15-Jan-19	SV	Review email from John Hendriks regarding documents from Evan Karras. Review and respond to email from Sam Rappos regarding distribution. Call from Wojtek Jaskiewicz regarding motion to terminate receivership, discuss with Ken Kraft and email to Farber regarding same. Call from Lilliana Ferreira regarding distribution amount. Call from the City of Toronto regarding payment of property taxes.	0.7
15-Jan-19	KK	Update from John Hendriks on Evan Karras' production of records related to Intact proceeds. Sam Rappos note requesting additional distributions. Sara-Ann Van Allen update on discussions with Wojtek Jaskiewicz and on follow up with Farbers.	0.5
16-Jan-19	SV	Review and respond to email from KMB regarding motion to terminate receivership. Receipt and review of GSA from Sam Rappos, emails and discussion with Ken Kraft regarding same.	0.5
16-Jan-19	KK	E-mails related to distribution issues and production of GSA in favour of Visram. Discussion with Sara-Ann Van Allen to confirm if GSA provides any issues related to enforceability opinion on security previously provided to Receiver.	0.4
17-Jan-19	SV	Email from and call to Liz Pillon regarding court appearance. Review email from Stuart Mitchell regarding prospective purchaser. Emails regarding freedom of information form and discuss same with John Valoriere.	0.5
17-Jan-19	KK	Various e-mails.	0.3
18-Jan-19	SV	Review and respond to email from Wojtek Jaskiewicz regarding contempt hearing. Prepare for Monday's motion for vesting order. Prepare draft orders. Review revised AVO from Liz Pillon and emails regarding same.	1.5
18-Jan-19	KK	Updates in regard to information received from Evan Karras and what remains to be pursued. Discussion in regard to Monday's attendance. E-mails.	0.4
19-Jan-19	KK	E-mails.	0.3

Date	ID	Description of Work	Hours
20-Jan-19	KK	Review follow up on Karras productions and chart from him and John Hendriks' comments.	0.3
21-Jan-19	SV	Prepare draft orders. Attend court on motion for vesting order. Review email from John Hendriks regarding documentation received from Karras.	2.5
21-Jan-19	EC	Preparation for and attendance of telephone call with Andrew Sheiner with respect to the Road Allowance and email correspondence in respect of same.	0.6
21-Jan-19	KK	Discussion with Sara-Ann Van Allen in regard to today's attendance. Review materials from John Hendriks to prepare report for Justice Chiappetta.	0.6
22-Jan-19	SV	Revise and finalize memorandum regarding status of document production. Call with Wojtek Jaskiewicz regarding 9:30 appearance. Call with Stuart Mitchell and John Hendriks regarding status update with Justice Chiappetta. Email memorandum on status update to Wojtek Jaskiewicz and review and respond to email in response. Review spreadsheets in respect of document productions.	2.3
22-Jan-19	SG	Correspondence regarding the AVO and closing agenda.	0.3
22-Jan-19	KK	Working on update note for Justice Chiappetta. Discussion with Sara-Ann Van Allen. Conference call with Stuart Mitchell, John Hendriks and Sara-Ann Van Allen to review position for tomorrow's attendance before Justice Chiappetta to follow on contempt motion. Review revised draft of update and related e-mail exchanges including with Wojtek Jaskiewicz.	1.5
23-Jan-19	SV	Prepare for and attend 9:30 a.m. hearing before Justice Chiappetta in respect of contempt proceedings.	1.3
23-Jan-19	KK	Follow up in regard to today's attendance before Justice Chiappetta.	0.3
24-Jan-19	SV	Review spreadsheet from John Hendriks with respect to outstanding documentation and email regarding same. Discussion with Ken Kraft regarding 9:30 appearance.	0.4
24-Jan-19	EC	Email correspondence with Andrew Sheiner with respect to the proposed easement and operating agreement in connection with the road.	0.2
24-Jan-19	KK	Follow up with Sara-Ann Van Allen on yesterday's attendance and next steps. John Hendriks note, and related e-mail exchanges on following up with KMB/Evan Karras on additional documents needed to provide a full accounting.	0.4
25-Jan-19	KK	Follow up on additional documentation required from Evan Karras.	0.1
30-Jan-19	SV	Review email from John Hendriks regarding property taxes. Review email from Evan Karras regarding broken window.	0.2
		Total	50.6

TOTAL PROFESSIONAL FEES

\$ 35,898.00

DENTONS CANADA LLP
A. Farber & Partners Inc.
Re: A. Farber & Partners Inc. in its capacity as Court Appointed
Receiver of 2220277 Ontario Inc.

INVOICE 3405379

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Matter # 559456-000003

TAXABLE DISBURSEMENTS

Computerized Title Search	\$	40.55
Conference Call charges		7.69
Courier & Delivery		193.29
External Document Reproduction		374.42
Photocopy & Printing Charges		239.50
Process Server Fees		65.00
TOTAL TAXABLE DISBURSEMENTS	\$	920.45

TOTAL DISBURSEMENTS 920.45

TOTAL FEES AND DISBURSEMENTS \$ **36,818.45**

TAXES

HST (13.0%) on Professional Fees of \$35,898.00	\$	4,666.74
HST (13.0%) on Taxable Disbursements of \$920.45		119.66

TOTAL TAXES 4,786.40

TOTAL AMOUNT DUE \$ 41,604.85 CAD

大成 DENTONS

Dentons Canada LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON, Canada M5K 0A1

T 416 863 4511
F 416 863 4592

大成 Salans FMC SNR Denton McKenna Long
dentons.com

A. Farber & Partners Inc.
150 York Street
Suite 1600
Toronto, ON M5H 3S5
Attention: Stuart Mitchell

INVOICE # 3414812

GST/HST # R121996078
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
March 13, 2019	559456-000003	Michael Davies

A. Farber & Partners Inc.
Re: A. Farber & Partners Inc. in its capacity as Court Appointed
Receiver of 2220277 Ontario Inc.

Professional Fees	\$ 47,077.00
Disbursements	378.16
HST (13.0%) on \$47,455.16	6,169.17
Total Amount Due	\$ <u>53,624.33</u> CAD

DENTONS CANADA LLP

Per: 
Michael Davies

DENTONS CANADA LLP
A. Farber & Partners Inc.

Re: A. Farber & Partners Inc. in its capacity as Court Appointed
Receiver of 2220277 Ontario Inc.

INVOICE 3414812
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Matter # 559456-000003

Payment Options:

Cheques:

Cheques payable to Dentons Canada LLP
and mailed to the above noted address.

Wire Transfer:

Bank of Montreal
1st Canadian Place, Toronto, ON
Swift Code: BOFMCAM2
Bank ID: 001 Transit: 00022
CAD Funds Bank Account : 0004-324

Credit Card:

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. _____ Expiry Date: _____ Card Verification Code (CVC): _____

Amount: _____ Cardholder Name: _____

Signature: _____

Internet Banking:

Accepted at most financial institutions. Your payee is Dentons Canada LLP and
your account number is 559456. Please email us at
Edm.Accounting@dentons.com referencing invoice number and payment
amount.

Interac e-Transfer:

e-Transfer funds to AR.Canada@dentons.com referencing invoice number in
message. Please use matter number referenced on your invoice as the password.
Alternatively, send password to AR.Canada@dentons.com in separate email.

Please email us at AR.Canada@dentons.com referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

Invoice Detail

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

Date	ID	Description of Work	Hours
30-Jan-19	KK	Update on property taxes.	0.1
01-Feb-19	KK	E-mails related to freedom of information request.	0.1
03-Feb-19	KK	Review and consider request to conduct environmental testing.	0.3
04-Feb-19	SG	Correspondence with Sara-Ann Van Allen regarding testing and Purchase Agreement. review of Purchase Agreement thereto.	0.7
04-Feb-19	KK	E-mails in regard to environmental testing request and to follow up on closing agenda issues and on payment terms.	0.3
06-Feb-19	SV	Call from Liz Pillon regarding extension of closing date and various emails regarding same. Email to Liz Pillon regarding closing extension. Receipt and review of closing agenda.	0.6
06-Feb-19	KK	E-mails related to Lanterra request to extend closing date and consider appropriate terms to be included in amending agreement.	0.5
07-Feb-19	SV	Call from Liz Pillon regarding closing extension and emails regarding same. Review draft closing agenda and emails regarding same.	0.5
07-Feb-19	SG	Review of purchase agreements, closing agenda and PIN. Correspondence to Sara-Ann Van Allen thereto.	1.5
07-Feb-19	KK	E-mails related to amending agreement terms to extend closing date. Review draft closing agenda.	0.4
08-Feb-19	SV	Review and respond to emails from Seher Goderya regarding closing agenda.	0.3
08-Feb-19	SG	Correspondence regarding changes to closing agenda with Sara-Ann Van Allen.	0.2
09-Feb-19	SG	Revising Closing Agenda.	1.0
09-Feb-19	KK	E-mails related to apparent non-delivery of materials from Evan Karras.	0.3
10-Feb-19	KK	E-mail from John Hendriks with information from Evan Karras.	0.3
11-Feb-19	SV	Receipt and review of spreadsheet from Evan Karras. Review comments from John Hendriks and Ken Kraft on spreadsheet. Various emails regarding appearance before Justice Chiapetta. Discussion with Ken Kraft regarding contempt hearing and consider same.	0.8
11-Feb-19	SG	Review of fourth amending agreement, revision of closing agenda accordingly and correspondence to purchaser's counsel.	1.0
11-Feb-19	KK	E-mails. Review draft amending agreement. Updates on accounting that Evan Karras provided and review John Hendriks comments. E-mails. Discussion with Sara-Ann Van Allen. Closing agenda update.	1.0
12-Feb-19	SV	Call with Farber regarding productions from Evan Karras. Review and consider spreadsheet summarizing status of productions and email regarding comments on same. Review invoices and draft costs outline	2.5

Date	ID	Description of Work	Hours
		for contempt hearing. Receipt of executed amending agreement. Review email from Seher Goderya regarding closing agenda.	
12-Feb-19	SG	Correspondence with Cathy Charlton regarding closing. Meeting with Cathy Charlton regarding draft documents.	0.5
12-Feb-19	CC	E-mail communications and office conference with Seher Goderya and reviewing documents.	0.8
12-Feb-19	KK	E-mail exchanges. Review updated accounting and notes to draft. Follow up with Sara-Ann Van Allen.	0.5
13-Feb-19	SV	Revise costs outline. Call with John Hendriks regarding accounting. Comments on spreadsheet and emails regarding same. Email to KMB regarding accounting.	1.5
13-Feb-19	CC	Completing title search and reviewing documents.	1.4
13-Feb-19	KK	Update discussion with Sara-Ann Van Allen in regard to attendance this Friday before Justice Chiappetta. Review revised spreadsheet from John Hendriks to update "accounting" received from Evan Karras and telephone call with him to review. Stuart Mitchell e-mail. Receive updated spreadsheet from John Hendriks. Review and comment on draft note to Wojtek Jaskiewicz to accompany updated spreadsheet and additional e-mail exchanges related to accompanying note to clarify that Receiver is reserving rights to pursue expenditures that may have been improper.	0.8
14-Feb-19	SV	Discussion with John Hendriks regarding costs outline. Emails to and from Ken Kraft regarding costs outline and revise same. Review Receiver's summary of costs and revise. Draft email regarding oral submissions before Justice Chiappetta and review and respond to emails regarding same. Further revise submissions. Review and respond to email from Wojtek Jaskiewicz regarding next day's 9:30 appearance. Finalize costs outline and summary. Emails regarding deposit wire transfer. Prepare for 9:30 attendance. Email from Wojtek Jaskiewicz regarding comments on spreadsheet and emails regarding same.	3.5
14-Feb-19	SG	Discussion regarding statement of adjustments with Cathy Charlton	0.2
14-Feb-19	CC	Reviewing documents and completing searches.	0.8
14-Feb-19	KK	Various e-mails related to additional deposit and to tomorrow's attendance on Evan Karras compliance issues. Review draft submissions and follow up with Sara-Ann Van Allen and John Hendriks in relation to points to be made before Justice Chiappetta. Review Evan Karras comments on spreadsheet. Amending agreement follow up.	0.9
15-Feb-19	SV	Attend 9:30 appearance before Justice Chiappetta regarding contempt proceedings. Review email from Seher Goderya regarding assignment of APS and emails to and from Farber regarding same. Review and respond to email from John Hendriks regarding closing extension. Review and respond to various emails regarding closing extension.	1.3
15-Feb-19	SG	Correspondence to Sara-Ann Van Allen regarding assignment instructions.	0.3

Date	ID	Description of Work	Hours
15-Feb-19	CC	Reviewing documents, e-mail communications with Seher Goderya, reviewing property tax statement and checking municipal addresses and assessment roll numbers.	1.3
15-Feb-19	KK	E-mails related to closing extension and Visram request to access deposit. Update on compliance with outstanding matters by Evan Karras and review John Hendriks' comments to Evan's notes.	0.4
18-Feb-19	KK	E-mail and review updated closing agenda.	0.3
19-Feb-19	SV	Review revised closing agenda and emails to and from Seher Goderya regarding same.	0.3
19-Feb-19	SG	Correspondence regarding closing agenda and correspondence to Cathy Charlton.	0.5
19-Feb-19	CC	E-mail communications with Seher Goderya, drafting electronic Application to register Vesting Order, reviewing title search, reviewing closing agenda, preparing documents and updating Seher Goderya on the status.	2.4
20-Feb-19	SV	Consider motion for advice and directions regarding trust funds and draft materials for same. Review draft application for vesting order and email from Seher Goderya regarding statement of adjustments.	0.6
20-Feb-19	SG	Correspondence regarding outstanding matters for closing.	0.2
20-Feb-19	CC	Reviewing the Agreement of Purchase and Sale and Amendments. Sending draft Application and updated parcel register to Scott Brasil, drafting the Statement of Adjustments, reviewing revisions to the Application, e-mail communications with Seher Goderya and Scott Brasil and drafting documents.	3.0
21-Feb-19	SV	Draft Fourteenth Report. Review and respond to emails from Cathy Charleton and Seher Goderya regarding statement of adjustments and closing documents.	4.3
21-Feb-19	SG	Discussion with Cathy Charlton, review of final numbers and comments on email and statement of adjustments to Cathy Charlton.	1.0
21-Feb-19	CC	Telephone conversations and e-mail communications with Maggie Pang about the pre-approval of the Application for Vesting Order, reviewing final version of the Application, reviewing Agreement of Purchase and Sale and Amending Agreements, reviewing status of the realty tax and utility payments, drafting Statement of Adjustments, e-mail communications with Sara Van Allen about the information that we require in order to complete the Statement of Adjustments and drafting documents. E-mail communications with Seher Goderya.	5.3
21-Feb-19	KK	Various e-mails.	0.3
22-Feb-19	SV	Call from John Hendriks regarding statement of adjustments and review same. Emails to and from Seher Goderya regarding closing documents. Review email from John Hendriks regarding statement of adjustments.	0.5
22-Feb-19	SG	Review of correspondence, discussion with Cathy regarding statement of adjustments and correspondence thereto with client.	2.0

Date	ID	Description of Work	Hours
22-Feb-19	CC	Preparing documents, telephone conversation and e-mail communications with Scott Brasil about our revisions to the closing documents, e-mail communications with John Hendriks about the adjustments, finalizing the Statement of Adjustments and meeting with Seher Goderya to review draft documents.	5.0
22-Feb-19	KK	E-mail exchanges related to statement of adjustments and utility arrears.	0.3
23-Feb-19	SV	Review email from Seher Goderya regarding statement of adjustments and review same.	0.2
23-Feb-19	KK	Update e-mail on closing matters.	0.1
24-Feb-19	SG	Reviewing, revising and drafting closing documents and correspondence with Cathy Charlton and Sara Allen.	3.0
24-Feb-19	CC	E-mail communications with Seher Goderya and finalizing closing documents for execution.	1.8
25-Feb-19	SV	Review and revise closing documents and email to Seher Goderya regarding same . Review revised Receiver's Certificate. Call from John Hendriks regarding statement of adjustments. Review email from Seher Goderya regarding closing documents. Review and respond to emails regarding statement of adjustments.	1.8
25-Feb-19	SG	Correspondence with Sara Allen and Scott Brasil re closing documents. Correspondence with client regarding statement of adjustments. Correspondence with Scott Brasil regarding revised documents.	2.5
25-Feb-19	CC	Preparing escrow letter and completing closing documents, meeting with Seher Goderya to review the closing documents and the revisions to the Statement of Adjustments and preparing files for closing.	3.3
25-Feb-19	KK	Updates on closing matters.	0.3
26-Feb-19	SV	Various emails regarding statement of adjustments and consider same. Review emails regarding tax amounts outstanding. Review emails from Seher Goderya and Scott Brasil regarding closing documents. Message from John Hendriks. Review and respond to email from Sam Rappos regarding closing proceeds. Call from Sam Rappos regarding closing and upcoming motion. Review email from Scott Brasil regarding statement of adjustments. Review email from Seher regarding closing documents. Review and respond to emails from John Hendriks regarding closing documents. Review emails regarding statement of adjustments.	1.8
26-Feb-19	SG	Correspondence with purchaser's counsel regarding closing documents and tax amounts, continuing review of documents and negotiation.	3.0
26-Feb-19	CC	Reviewing revisions to the Statement of Adjustments, e-mail communications with Seher Goderya and reviewing closing documents.	1.3
26-Feb-19	KK	Further closing related e-mails and on whether amending agreement necessary to address change in way property taxes were adjusted.	0.4
27-Feb-19	SV	Call with John Hendriks regarding closing documents. Call with Seher Goderya regarding closing documents. Review emails regarding closing documents. Review revised closing documents. Receipt of executed	1.0

Date	ID	Description of Work	Hours
		closing documents from client and Scott Brasil. Review email from Ken Kraft to Chaitons.	
27-Feb-19	SG	Correspondence regarding closing with client and instructions to cathy Charlton and resolving outstanding matters as to closing.	1.5
27-Feb-19	JE	Order certificates of status for Lanterra Developments Ltd., Bay Elm Lanterra Inc., and Bay Elm 650 Inc. Order and obtained certified limited partnerships report for Bay Elm Lanterra LP. Prepare email to Cathy Charlton and Seher Goderya forwarding same.	0.4
27-Feb-19	CC	Completing documents, e-mail communications with Scott Brasil and Maggie Pang, e-mail communications and telephone conversation with Seher Goderya, ordering and reviewing corporate and partnership searches, completing searches and e-mail communications with Sara Van Allen. Meeting with John Hendriks to obtain executed documents, reviewing documents, completing escrow letter and sending documents in to Scott Brasil.	3.0
27-Feb-19	KK	E-mails related to closing issues. Briefly review revisions to final documentation. Update to Harvey Chaiton/Sam Rappos on transaction status.	0.3
28-Feb-19	SV	Various emails regarding closing. Assist with closing arrangements. Discussions with Seher Goderya regarding closing and Receiver's Certificate. Finalize and circulate Receiver's Certificate. Discussion with Ken Kraft regarding March 19th motion and email to Stuart Mitchell and John Hendriks regarding same. Review responding email from Stuart Mitchell and Ken Kraft. Emails from and to Chaitons and Wojtek Jaskiewicz regarding closing of transaction.	2.5
28-Feb-19	SG	Correspondence regarding closing documents to purchaser's counsel, attending to and completing closing.	1.5
28-Feb-19	CC	Telephone conversations and e-mail communications with Maggie Pang and Scott Brasil about the completion of the closing documents and completing closing.	2.0
28-Feb-19	KK	Closing related e-mails. Discussion with Sara-Ann Van Allen on follow up to Karras contempt matters and approach to deal with remaining assets and March 19 motion date. Follow up with Stuart Mitchell and John Hendriks on next steps. Discuss hearing dates with Sara-Ann Van Allen.	1.0
		Total	85.3

TOTAL PROFESSIONAL FEES

\$ 47,077.00

TAXABLE DISBURSEMENTS

Computerized Title Search	\$ 40.55
Photocopy & Printing Charges	187.00
Searches	<u>150.61</u>

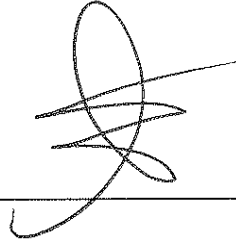
DENTONS CANADA LLP
A. Farber & Partners Inc.
Re: A. Farber & Partners Inc. in its capacity as Court Appointed
Receiver of 2220277 Ontario Inc.

INVOICE 3414812
Page 8 of 8

Matter # 559456-000003

TOTAL TAXABLE DISBURSEMENTS	\$	378.16
TOTAL DISBURSEMENTS		<u>378.16</u>
TOTAL FEES AND DISBURSEMENTS	\$	47,455.16
TAXES		
HST (13.0%) on Professional Fees of \$47,077.00	\$	6,120.01
HST (13.0%) on Taxable Disbursements of \$378.16		<u>49.16</u>
TOTAL TAXES		<u>6,169.17</u>
TOTAL AMOUNT DUE	\$	<u>53,624.33</u> CAD

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF JOHN SALMAS
SWORN BEFORE ME THIS 28th DAY OF MARCH,
2019.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

A Commissioner for Taking Affidavits, etc.

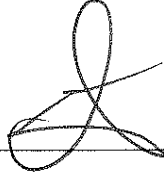
EXHIBIT "B"

**Summary of Invoices and Calculation of Average Hourly Billing Rates of Dentons Canada
LLP**

The Period of January 1, 2019 to February 28, 2019

Date	Invoice No.	Fees	Disbursements	Taxes(HST)	Hours	Average Rate	Total
January 31, 2019	3405379	35,898.00	920.45	4,786.40	50.6	661.67	41,604.85
March 13, 2019	3414812	47,077.00	378.16	6,169.17	85.3	521.40	53,624.33
Total:		\$82,975.00	\$1,298.61	\$10,955.57	135.9	\$591.54	\$95,229.18

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF JOHN SALMAS
SWORN BEFORE ME THIS 28th DAY OF MARCH,
2019.

A handwritten signature in black ink, consisting of a large loop and a horizontal stroke, positioned above a horizontal line.

A Commissioner for Taking Affidavits, etc.

EXHIBIT "C"

Standard Billing Rates of Dentons Canada LLP

	<u>Rate</u>	<u>Year of Call</u>
Michael Davies	\$960.00	1977
Kenneth Kraft	\$900.00	1991
Sara-Ann Van Allen	\$650.00	2008
Seher Goderya	\$585.00	2012
Esme Cragg	\$560.00	2013
Cathy Charlton	\$360.00	Law Clerk
Annette Fournier	\$315.00	Law Clerk
Janeil Erskine	\$112.00	Corporate Searcher

ZAHERALI VISRAM
Applicant

- and -

2220277 ONTARIO INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF JOHN SALMAS
(sworn March 28, 2019)

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

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sara.vanallen@dentons.com

*Lawyers for A. Farber & Partners Inc., Court Appointed
Receiver of 2220277 Ontario Inc.*

TAB 5

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

THE HONOURABLE) MONDAY, THE 8th
JUSTICE) DAY OF APRIL, 2019

B E T W E E N:

ZAHERALI VISRAM

Applicant

– and –

2220277 ONTARIO INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C-43, AS AMENDED

ORDER

THIS MOTION, made by A. Farber & Partners Inc., in its capacity as the court appointed receiver (the “**Receiver**”) of the assets, undertakings and properties of 2220277 Ontario Inc. (the “**Debtor**”), for an order directing the payment of trust funds held by the Receiver and granting certain other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fourteenth Report of the Receiver, dated March 14, 2019 (the “**Fourteenth Report**”), the Fifteenth Report of the Receiver, dated March 28, 2019 (the “**Fifteenth Report**”), and the Affidavits of John Hendriks, sworn March 27, 2019, and John Salmas, sworn March 28, 2019 (together, the “**Fee Affidavits**”), and on hearing the submissions

of counsel for the Receiver, Evan Karras, Zaherali Visram (“**Visram**”) and any other party appearing:

SERVICE

1. **THIS COURT ORDERS** that the timing and method of service of the Notice of Motion and Motion Record be and is hereby abridged and validated and this Motion is properly returnable today.

RECEIVER’S ACTIVITIES AND REPORTS

2. **THIS COURT ORDERS** that the Fourteenth Report, the Fifteenth Report, and the activities and conduct of the Receiver described in each report, be and are hereby approved.

RECEIPTS & DISBURSEMENTS

3. **THIS COURT ORDERS** that the Receiver’s Statement of Receipts and Disbursements dated March 25, 2019, be and is hereby approved.

FEE APPROVAL

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, for the period from January 1, 2019, to March 24, 2019, and its counsel, for the period from January 1, 2019, to February 28, 2019, as set out in the Fifteenth Report and the Fee Affidavits, be and are hereby approved.

DISTRIBUTIONS

5. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to distribute an additional \$500,000 to Visram in partial satisfaction of the Debtor’s indebtedness.

6. **THIS COURT ORDERS** that the Receiver be and is hereby authorized, without further Court Order, to distribute additional funds to Visram, in such amount(s) and at such time(s) as the Receiver may determine, in its discretion, up to a maximum aggregate amount of \$9,018,721.

INSURANCE PROCEEDS

7. **THIS COURT ORDERS AND DIRECTS** the Receiver to pay the \$453,189.90 of insurance proceeds (the “**Insurance Proceeds**”) held in trust by the Receiver to the Debtor’s estate for distribution amongst the Debtor’s creditors in accordance with their respective priorities.

8. **THIS COURT ORDERS AND DECLARES** that 756597 Ontario Limited (“**756 Ontario**”), 2296528 Ontario Inc. (“**229 Ontario**”), Evan Karras and any other related party have no right, claim or entitlement to the Insurance Proceeds.

9. **THIS COURT ORDERS AND DIRECTS** Karras, 756 Ontario and 229 Ontario, on a joint and several basis, to pay \$109,215.30 to the Receiver, which payment shall be received within twenty (20) days of the date of this Order and paid to the Debtor’s estate for distribution amongst the Debtor’s creditors in accordance with their respective priorities.

COSTS

10. **THIS COURT ORDERS** that Evan Karras, 756 Ontario and 229 Ontario, on a joint and several basis, to pay costs to the Receiver in the amount of \$54,056.94, which funds shall be available for distribution amongst the Debtor’s creditors in accordance with their respective priorities. Such costs shall be paid forthwith and no later than thirty (30) days from the date of this Order.

SETTLEMENT FUNDS

11. **THIS COURT ORDERS AND DIRECTS** the Receiver to pay the \$70,000 (the “**Settlement Funds**”) held in trust by the Receiver to the Debtor’s estate for distribution amongst the Debtor’s creditors in accordance with their respective priorities.

12. **THIS COURT ORDERS AND DECLARES** that 9329293 Canada Inc., Evan Karras and any other related party have no right, claim or entitlement to the Settlement Funds.

BE SIXFIFTY RENT

13. **THIS COURT ORDERS** that bE SixFifty Hotel Inc. (“**bE SixFifty**”) shall deliver to the Receiver within ten (10) days of the date of the Order:

- (a) verifiable evidence of bE SixFifty’s set off claim in respect of the pre-receivership rent totalling \$211,582.43 (the “**Overdue Rent**”) owing by bE SixFifty to the Debtor pursuant to the Lease, dated July 27, 2016, including copies of invoices and proof of payment by bE SixFifty, and payment of rent for the period of December 1-17, 2017 (totalling \$8,815.94) for distribution amongst the Debtor’s creditors in accordance with their respective priorities; or
 - (b) payment to the Receiver of \$220,398.37, on account of the Overdue Rent and rent for the period of December 1-17, 2017, for distribution amongst the Debtor’s creditors in accordance with their respective priorities.
-

ZAHERALI VISRAM
Applicant

- and -

2220277 ONTARIO INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER

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*Lawyers for A. Farber & Partners Inc., Court Appointed
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ZAHERALI VISRAM
Applicant

- and -

2220277 ONTARIO INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD
(returnable April 8, 2019)

DENTONS CANADA LLP
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Toronto-Dominion Centre
Toronto, ON M5K 0A1

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Receiver of 2220277 Ontario Inc.*